The State of Michigan is committed to quality financial reporting and it is with great pleasure that we present this year's Comprehensive Annual Financial Report. This report reflects not only the State's improving financial condition, but also the efforts of many people dedicated to producing the best report possible.

53955-2-U

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

STATE OF MICHIGAN

FISCAL YEAR ENDED SEPTEMBER 30, 1984

Prepared By:
THE DEPARTMENT OF MANAGEMENT AND BUDGET
ROBERT H. NAFTALY, DIRECTOR

OFFICE OF ACCOUNTING
JAMES J. BOLTHOUSE, DIRECTOR

JAMES J. BLANCHARD
GOVERNOR

STATE OF MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 1984
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Statements and schedules are truncated to thousands of dollars. Because of this, they may not add to the totals.

STATE OF MICHIGAN

JAMES J. BLANCHARD, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

P.O. BOX 30026, LANSING, MICHIGAN 48909
ROBERT H. NAFTALY, Director

The Honorable James J. Blanchard, Governor
Members of the Legislature
People of the State of Michigan

In compliance with Article IX, Section 21, of the State of Michigan Constitution and Michigan Public Act 222 of 1965, I hereby transmit the Comprehensive Annual Financial Report of the State of Michigan for the fiscal year ended September 30, 1984.

This report was prepared by the Department of Management and Budget, Office of Accounting, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. I am confident the data is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of the State's operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

Reporting Standards and Presentation

Compliance with Generally Accepted Accounting Principles

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP), except for the following areas:

General Fixed Assets and Capital Leases: The various departments have historically maintained decentralized fixed assets records which were designed for the purpose of safeguarding assets. Consequently, the State currently does not have a central system capable of accumulating and reporting GAAP required information on capitalized leases and other fixed asset transactions in a "General Fixed Asset Account Group."

Activities of the Michigan Unemployment Compensation Fund (MUCF) and the Michigan Higher Education Assistance Authority (MHEAA): These two organizations were determined to be a part of the State's reporting entity, but have not been included in their entirety because audited financial statements prepared in accordance with generally accepted accounting principles are not available.

The State has projects in process that will eliminate these departures from GAAP, possibly in time for next year's report.

Method of Presentation

This report uses the "reporting pyramid" approach established by the National Council on Governmental Accounting (NCGA) in Statement 1 and endorsed by the Governmental Accounting Standards Board (GASB). The pyramid does not provide a consolidated State financial statement; rather, it combines funds and component units in columns of fund types. The statements which reflect these combined fund type columns are referred to as the "General Purpose Financial Statements" and the auditor's opinion is primarily upon those columns.

Following the General Purpose Financial Statements are the combining financial statements, schedules, and statistical data. These statements and schedules provide detail, generally by fund, for the amounts shown in the fund type columns in the General Purpose Financial Statements. The term "Comprehensive Annual Financial Report" is used to describe all of data presented in this report. The Municipal Finance Officers Association has established recommendations for the contents of Comprehensive Annual Financial Reports and we are currently attempting to improve our compliance with those recommendations.

Reporting Entity

Prior to 1982-83, the State defined its reporting entity primarily based upon the extent to which the State Treasurer was responsible for the monies of the various State agencies. In 1982-83, the State expanded its reporting entity to include "component units" using the financial oversight criteria provided in NCGA Statement 3. The primary result of this change was the inclusion of financing authorities in the statements, even though the State (as legally defined) is not directly responsible for their obligations.

Budgetary Basis and Reporting

The State is committed by statute to eliminating the departures from GAAP which have existed in the General Fund on the budgetary basis. Portions of the cigarette and income taxes have been restricted for the purpose of funding the accrual of all fund liabilities on the budgetary basis. These revenues allowed the recording of medicaid related accruals this year and will result in the recording of income tax refund liabilities (the only significant remaining departure) when sufficient resources have been accumulated.

Budgetary compliance for the "oversight entity" governmental fund types is demonstrated in this report in the budget to actual comparative statements, footnote #3, and also in related supplementary schedules. Budgets or financial plans for component units added in 1982-83 and proprietary type oversight entity funds were not reasonably available and have not been included.

Financial Highlights - Oversight Entity

General Fund Balance

The elimination of GAAP departures on the budgetary basis has contributed significantly to the State's improving financial position and credit ratings. The amount of unfunded departures has been reduced from $790 million as of September 30, 1982 to $345 million as of September 30, 1984. The General Fund's budgetary unreserved fund balance at year-end totaled $283.2 million, as compared to a $57.5 deficit using the GAAP basis. This year-end balance will be used to help fund 1984-85 general purpose appropriations, as well as the scheduled income tax roll-back and statutorily required transfers to the Budget Stabilization Fund.

Revenues

Excluding the aforementioned authorities, revenues of the General and special revenue funds are shown below (in millions):

Revenue Source - G.A.A.P. Basis	1983-84	Percent of Total	Increase From 1982-83
Personal Income Tax	$ 3,190	25%	$ 419
Sales Tax	1,925	15	226
Single Business Tax	1,281	10	239
Other Taxes	2,010	16	184
Federal Revenues	3,030	24	260
Other Revenues	1,125	9	71
Total	$ 12,561	100%	$ 1,399

Most of the increases in tax revenue can be attributed to the improving economy. The personal income tax rate, which was raised from 4.6% to 6.35% on January 1, 1983, decreased to an annualized rate of 5.85% for calendar year 1984. Annualized on a fiscal year basis, this resulted in approximately equivalent rates for the two fiscal years. Current law sets the annualized tax rate for calendar year 1985 at 5.35%, with another .25% reduction required when the tax refund liability is accrued on the budgetary basis.

Expenditures

Excluding the aforementioned authorities, expenditures of the General and special revenue funds are shown below (in millions):

Expenditures by Function (G.A.A.P. Basis)	Amount	Percent of Total	Increase (Decrease) From 1982-83
General government	$ 850	7%	$ 76
Education	3,269	27	266
Health and welfare	4,042	34	272
Public safety & corrections	424	3	50
Conservation, recreation, & agriculture	182	1	(3)
Labor, commerce & regulatory	501	4	56
Mental health	711	6	81
Transportation	782	6	115
State-local revenue sharing grants	674	5	79
Items not assigned to a function	6	-	(57)
Capital outlay (including highways)	407	3	128
Total	$ 11,853	100%	$ 1,066

Public assistance caseload levels declined somewhat during the year, however, increasing costs, particularly in the State's medical assistance programs caused an overall increase in health and welfare spending. Education expenditures increased 8.9% as the State increased its support of local and higher education programs. Increases in transportation dedicated revenues and the proceeds of recent revenue dedicated bonds have provided funding for increased expenditures for transportation related programs.

Debt Management - Oversight Entity

The State's level of general obligation debt is continuing to decrease as it has for the past eight years, falling from $573.5 million as of September 30, 1976 to the $259.3 million currently outstanding. This trend will continue in the future unless additional borrowing is authorized by the electorate.

Revenue dedicated bonded debt, which is primarily transportation related, increased by $85.2 million to $435.0 million during 1983-84 as the State issued additional bonds to finance both highway and comprehensive transportation improvements. Additional future borrowings for transportation related functions are anticipated, however the amount which can be borrowed is subject to statutory restrictions.

The short-term cash flow needs of the State in recent years have been to a great extent financed by the issuance of short-term notes. Such borrowings, which are constitutionally required to be repaid before fiscal year-end, amounted to $500 million during 1983-84, with $450 million being borrowed for 1984-85.

Proprietary Funds - Oversight Entity

The State's Liquor Purchase Revolving Fund's balance sheet (an enterprise fund) shows significantly less accounts payable. Improvements in the State's cash position allowed the timely payment of accounts payable, which in prior fiscal years had been delayed.

The State Sponsored Group Insurance Fund, which accounts for the State's self-insurance for employee benefit programs, is also in a much more sound financial condition. Program deficits existing at September 30, 1983, have been largely eliminated, with most programs now showing adequate funding levels.

Pension Plans

The assets (at cost) of those funds included in this report as retirement funds increased by $1.2 billion to $9.5 billion at September 30, 1984. The latest actuarial valuation of the two largest funds, the Public School Employees' Retirement System (PSERS) and the State Employees' Retirement System (SERS), were prepared as of September 30, 1983. The PSERS had net assets (at cost) of $6.2 billion versus the present value of credited projected benefits of $7.5 billion at September 30, 1983. The SERS had net assets of $1.8 billion versus the present value of credited projected benefits of $2.0 billion at September 30, 1983. Contributions to the PSERS and SERS were sufficient during 1983-84 to cover the current service as well as to amortize prior service costs in accordance with generally accepted accounting principles.

Financial Highlights - Component Units

Governmental Types

The State Building Authority, which is reflected in the special revenue and debt service fund types, has financed several major university and State building projects. Bonds outstanding total $542.5 million, with $70.6 million currently available in debt service funds for debt redemption. The most significant current project of the authority is related to the University of Michigan hospital, for which $237.9 million has been borrowed and construction in process to date totals $143.9 million.

Proprietary Types

The largest proprietary type authorities, which are reported as enterprise funds, are the Michigan State Housing Development and Hospital Finance Authorities. These authorities, which help finance various housing and hospital financing activities, have long-term liabilities of $1,568.8 million and $1,249.9 million outstanding, respectively, as of September 30, 1984.

Audit

The principal auditor of the State's reporting entity is the legislative Office of the Auditor General. Their examination was conducted in accordance with generally accepted auditing standards (GAAS), and their opinion precedes the General Purpose Financial Statements. The accounting firm of Deloitte Haskins and Sells has reviewed the General Purpose Financial Statements in accordance with standards established by the American Institute of Certified Public Accountants and their review letter also precedes these statements. In addition to the annual audit of the State's general purpose financial statements, the Office of the Auditor General also performs periodic financial and expanded scope audits of the various State agencies.

This past year, the examination of the 1981-82 general purpose financial statements by the Office of the Auditor General was subjected to an engagement review by the accounting firm of Arthur Andersen & Co. An unqualified opinion was issued stating that the system of quality control for the accounting and auditing practice of the Office of the Auditor General of the State of Michigan in effect during the audit conducted by the Auditor General on the general purpose financial statements for the State of Michigan for the fiscal year ended September 30, 1982, met the objectives of quality control standards established by the AICPA and was being complied with during the conduct of that engagement to provide the Office of the Auditor General with reasonable assurance of conforming with professional standards.

Conclusion

The State in recent years has been able to significantly improve its financial position. In addition to benefiting from the economic recovery generally, State actions to temporarily increase income taxes, restrain growth in spending, and restrict revenues for the purpose of eliminating GAAP departures on the budgetary basis have improved the State's credit ratings and its ability to meet the financial demands of the future.

Proposed federal cut backs and the possibility of economic downturns could adversely affect the State. Nevertheless, the State's current financial position is the strongest that it has been in for several years. This strong financial position will help the State keep its commitments for quality programs to address the educational, social, environmental, and other needs of the citizens of this State.

Finally, I wish to express my appreciation to the many people whose dedicated efforts made possible the preparation of this report. I believe their combined efforts have produced a report that will enable government decision makers and concerned citizens to better evaluate and understand the State's financial condition.

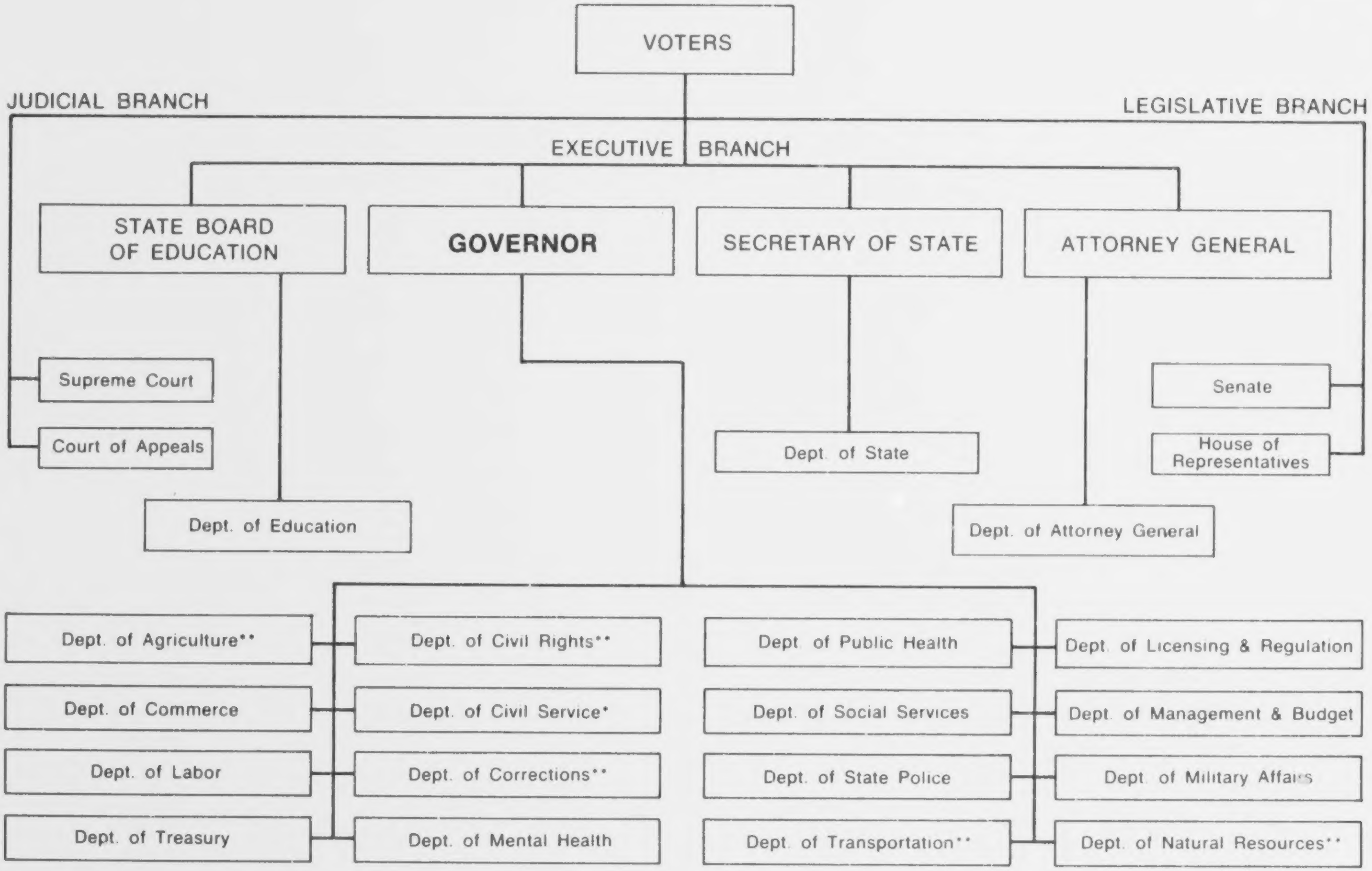
Very truly yours,

Director

March 22, 1985

STATE OF MICHIGAN

Organizational Structure


VOTERS
JUDICIAL BRANCH
EXECUTIVE BRANCH
LEGISLATIVE BRANCH
STATE BOARD OF EDUCATION
GOVERNOR
SECRETARY OF STATE
ATTORNEY GENERAL
Supreme Court
Court of Appeals
Dept. of Education
Dept. of State
Dept. of Attorney General
Senate
House of Representatives
Dept. of Agriculture**
Dept. of Commerce
Dept. of Labor
Dept. of Treasury
Dept. of Civil Rights**
Dept. of Civil Service*
Dept. of Corrections**
Dept. of Mental Health
Dept. of Public Health
Dept. of Social Services
Dept. of State Police
Dept. of Transportation**
Dept. of Licensing & Regulation
Dept. of Management & Budget
Dept. of Military Affairs
Dept. of Natural Resources**

*Have Commission appointed by Governor
**Have Commission appointed by Governor, confirmed by Senate

STATE OF MICHIGAN

PRINCIPAL STATE OFFICIALS

JUDICIAL BRANCH

Supreme Court Justices
Honorable G. Mennen Williams, Chief Justice
Honorable Charles L. Levin, Associate Justice
Honorable James L. Ryan, Associate Justice
Honorable James H. Brickley, Associate Justice
Honorable Michael F. Cavanagh, Associate Justice
Honorable Patricia J. Boyle, Associate Justice
Honorable Dorothy Comstock Riley, Associate Justice

LEGISLATIVE BRANCH

Honorable Martha W. Griffiths
President of the Senate

Honorable Gary M. Owen
Speaker of the House of Representatives

Franklin C. Pinkelman
Legislative Auditor General

EXECUTIVE BRANCH

Honorable James J. Blanchard, Governor

Honorable Frank J. Kelley, Attorney General

Honorable Richard H. Austin, Secretary of State

State Board of Education
- Honorable James J. Blanchard (Ex Officio)
- Honorable Dorothy Beardmore
- Honorable Barbara Dumouchelle
- Honorable Carroll Hutton
- Honorable Cherry Jacobus
- Honorable Barbara Roberts Mason
- Honorable Annetta Miller
- Honorable Norman Otto Stockmeyer, Sr.
- Honorable Edmund F. Vandette

Phillip E. Runkel, Superintendent of Public Instruction

Michigan Commission of Agriculture
- Robert Chaffin
- David D. Diehl
- George A. McManus, Jr.
- Rita M. Reid
- S. Leon Whitney

Paul Kindinger, Director, Department of Agriculture

Civil Rights Commission
- Sondra L. Berlin
- Beverly Clark
- Eva Evans
- Dorothy Haener
- Michael C. Hidalgo
- Rev. William Holly
- Benny N. Napoleon
- Philip VanDam

Ronald L. Quincy, Director, Dept. of Civil Rights

Civil Service Commission
- John F. Dodge, Jr.
- Walter R. Greene
- Harriet B. Rotter
- Vacant

John F. Hueni, Jr., Director, Dept. of Civil Service

Doug Ross, Director, Department of Commerce

Corrections Commission
- Gwen Andrew
- Brunetta Brandy
- Thomas K. Eardley, Jr.
- James H. Lincoln
- Duane L. Waters

Robert Brown, Jr., Director, Department of Corrections

Elizabeth P Howe, Director, Department of Labor

Raymond W. Hood, Sr., Director, Department of Licensing and Regulation

Robert H. Naftaly, Director, Department of Management and Budget

C. Patrick Babcock, Director, Department of Mental Health

Major Gen. Vernon J. Andrews, Director, Department of Military Affairs

Natural Resources Commission
- Thomas J. Anderson
- Marlene J. Fluharty
- Stephen V. Monsma
- O. Stewart Myers
- Raymond Poupore
- Harry H. Whiteley
- Vacant

Ronald O. Skoog, Director, Department of Natural Resources

Gloria R. Smith, Director, Department of Public Health

Agnes M. Mansour, Director, Department of Social Services

Col. Gerald L. Hough, Director, Department of State Police

Transportation Commission
- William C. Marshall
- Hannes Meyers, Jr.
- Lawrence C. Patrick, Jr.
- Carl V. Pellonpaa
- Weston E. Vivian
- Rodger D. Young

James P. Pitz, Director, Dept. of Transportation

Robert A. Bowman, State Treasurer

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II FINANCIAL SECTION

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STATE OF MICHIGAN
OFFICE OF THE AUDITOR GENERAL
333 SOUTH CAPITOL AVENUE-SUITE A
LANSING, MICHIGAN 48913
(517) 373-3773

FRANKLIN C. PINKELMAN, C.P.A.
AUDITOR GENERAL

CHARLES S. JONES, C.P.A.
DEPUTY

March 22, 1985

The Honorable James J. Blanchard, Governor
Members of the Legislature

We have examined the general purpose financial statements of the State of Michigan principally as of September 30, 1984 and for the fiscal year then ended, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of certain component units of the State of Michigan which are reported in the special revenue, debt service, and enterprise funds, and are more fully described in Notes 1, 4 and 25 to the general purpose financial statements. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts reported for these component units, is based solely upon the reports of the other auditors.

As discussed in Note 1, the general purpose financial statements referred to above do not include a General Fixed Assets Account Group which should be included to conform with generally accepted accounting principles.

As described in Note 1, the general purpose financial statements referred to in the first paragraph do not include certain amounts related to the Michigan Higher Education Assistance Authority, as required by generally accepted accounting principles. This omission results in understatement of the amounts reported in the general purpose financial statements for the enterprise funds.

As described in Notes 1 and 17, the general purpose financial statements referred to in the first paragraph do not include the Michigan Unemployment Compensation Fund of the Michigan Employment Security Commission, as required by generally accepted accounting principles. This omission results in understatement of the amounts reported in the general purpose financial statements for the fiduciary fund type-Expendable Trust and the General Long-Term Obligations Account Group.

In our opinion, based upon our examination and the reports of other auditors, except as stated in the following sentence and except for the effects of the matters discussed in the second and third paragraphs, the general purpose financial statements referred to in the first paragraph present fairly the financial position of the various fund types of the State of Michigan principally as of September 30, 1984, and the results of operations of such fund types and the changes in financial position of the proprietary fund types and retirement related trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the changes in the methods of accounting for certain governmental fund liabilities, balances of unencumbered work projects in the General Fund, and compensated absences in the proprietary funds, and after restatement for the change in the method of reporting component units of the State; we concur with all of these changes which are described in Note 4 to the general purpose financial statements. In our opinion, because of the effects of the matter discussed in the fourth paragraph, the general purpose financial statements referred to in the first paragraph do not present fairly, in conformity with generally accepted accounting principles, the financial position of the fiduciary fund type-Trust and Agency Funds and the General Long-Term Obligations Account Group as of September 30, 1984 and the results of operations of the fiduciary fund type-Expendable Trust for the year then ended.

Our examination also comprehended the supplemental financial data listed in the foregoing table of contents. In our opinion, except for the effects of the matters discussed in the third and fourth paragraphs, such supplemental data when considered in relation to the general purpose financial statements presents fairly in all material respects the information shown therein.

The statistical data listed in the foregoing table of contents was not audited by us and, accordingly, we express no opinion on it.

Sincerely,

F C Pinkelman

Franklin C. Pinkelman, C.P.A.
Auditor General

Deloitte
Haskins+Sells

Suite 3100
100 Renaissance Center
Detroit, Michigan 48243
(313) 446-0100
TWX 810-221-9473

March 22, 1985

The Honorable Franklin C. Pinkelman, CPA
Auditor General
State of Michigan
Lansing, Michigan

We have reviewed the general purpose financial statements of the State of Michigan principally as of September 30, 1984 and for the fiscal year then ended, listed in the foregoing table of contents, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the State of Michigan Department of Management and Budget.

A review consists principally of inquiries of State personnel, and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, except for the matters described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As explained in Note 1, the accompanying general purpose financial statements do not include a Statement of General Fixed Assets or a substantial portion of the assets, liabilities and operations of the Michigan Employment Security Commission and Michigan Higher Education Assistance Authority, which should be included to conform with generally accepted accounting principles.

Yours truly,

Deloitte Haskins + Sells

STATE OF MICHIGAN
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
1984
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL SEPTEMBER 30	SPECIAL REVENUE (NOTE 1)	DEBT SERVICE (NOTE 1)	CAPITAL PROJECTS SEPTEMBER 30
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 7,673	$ 2,330	$ 2,335	$ -
Equity in Common Cash (Note 5)	624,704	484,887	5,137	947
Taxes, interest, and penalties receivable (at net) (Note 6)	809,021	144,421	-	-
Amounts due from other funds (Note 20)	6,609	54,667	1,724	-
Amounts due from federal agencies	300,621	94,505	-	521
Amounts due from local units (at net) (Note 9)	95,243	26,523	-	-
Inventories	13,171	11,170	-	-
Investments (Note 10)	-	63,015	19,631	19,230
Other current assets	43,951	25,088	1,720	96
Total Current Assets	1,900,996	906,611	30,549	20,795
Taxes, interest, and penalties receivable (at net) (Note 6)	20,783	3,415	-	-
Amounts due from other funds (Note 20)	550	2,446	-	-
Amounts due from local units	26,935	112,988	-	-
Mortgage notes/loans receivable (Note 11)	-	-	-	-
Investments (Note 10)	-	173,317	54,018	-
Property, plant and equipment (Note 12)	-	-	-	-
Other noncurrent assets	7,779	11,294	-	-
Amount available for retirement of bonds	-	-	-	-
Amount to be provided for bond retirement	-	-	-	-
Amounts to be provided for other long-term obligations (Note 16)	-	-	-	-
Total Assets	$ 1,957,045	$ 1,210,072	$ 84,568	$ 20,795
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Liability to Common Cash (Note 5)	$ -	$ 121,896	$ -	$ -
Warrants outstanding	124,460	10,021	-	-
Accounts payable and other liabilities	724,809	261,760	1,675	517
Estimated income tax refunds payable	748,090	-	-	-
Amounts due to other funds (Note 20)	59,078	32,837	2,252	1
Bonds and notes payable (Note 18)	-	-	-	-
Interest payable	-	-	-	-
Deferred revenue	16,239	10,071	-	-
Escrow funds	-	-	-	-
Total Current Liabilities	1,672,677	436,588	3,927	519
Long-Term Liabilities:				
Amounts due to other funds (Note 20)	-	-	-	-
Prize awards payable	-	36,207	-	-
Deferred revenue	35,723	14,709	-	-
Bonds and notes payable (Notes 16 and 18)	-	-	-	-
Other long-term liabilities (Note 16)	-	-	-	-
Total Liabilities	1,708,401	487,504	3,927	519
Fund Equity:				
Retained earnings and contributions (Note 23)	-	-	-	-
Reserved fund balance (Note 24)	306,170	625,517	1,160	974
Unreserved fund balance (deficit)	(57,526)	97,050	79,479	19,301
Total Fund Equity (Deficit)	248,644	722,568	80,639	20,275
Total Liabilities and Fund Equity	$ 1,957,045	$ 1,210,072	$ 84,568	$ 20,795

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
ENTERPRISE (NOTE 1)	INTERNAL SERVICE SEPTEMBER 30	TRUST AND AGENCY SEPTEMBER 30	GENERAL LONG-TERM OBLIGATIONS SEPTEMBER 30	1984	1983 (RESTATED)
$ 77,827	$ 1,038	$ 2,685	$ -	$ 93,889	$ 77,073
2,171	58,873	329,793	-	1,506,515	1,008,153
-	-	13,224	-	966,668	1,126,268
107	1,426	32,772	-	97,308	87,162
1,884	-	27,851	-	425,384	399,422
-	290	47,795	-	169,853	152,356
55,726	8,719	-	-	88,787	101,105
361,527	-	386,605	-	850,009	1,096,046
84,533	2,148	183,604	-	341,143	286,219
583,777	72,497	1,024,332	-	4,539,560	4,333,807
-	-	25,121	-	49,319	20,571
-	-	-	-	2,996	3,326
-	-	1,572	-	141,497	97,909
2,402,547	-	-	-	2,402,547	2,083,694
616,858	-	10,089,075	-	10,933,270	9,192,191
23,210	32,995	-	-	56,206	48,301
5,085	22,289	2,969	-	49,418	43,098
-	-	-	79,479	79,479	83,689
-	-	-	1,167,120	1,167,120	1,034,921
-	-	-	503,107	503,107	336,855
$ 3,631,479	$ 127,782	$11,143,071	$ 1,749,707	$19,924,522	$17,278,365
$ -	$ 1,020	$ 1,402	$ -	$ 124,319	$ 250,406
431	1,059	58,109	-	194,083	277,165
45,338	48,559	170,628	-	1,253,290	1,305,469
-	-	-	-	748,090	682,200
120	93	2,924	-	97,308	87,162
121,077	-	-	-	121,077	96,805
84,051	-	-	-	84,051	103,295
9,030	17,864	17,451	-	70,658	40,094
87,035	-	-	-	87,035	72,756
347,084	68,598	250,516	-	2,779,912	2,915,356
-	-	2,996	-	2,996	3,326
-	-	-	-	36,207	31,104
-	-	25,121	-	75,553	45,425
3,042,784	-	-	1,246,600	4,289,384	3,883,664
3,227	9,007	4,079	503,107	519,422	347,443
3,393,096	77,606	282,713	1,749,707	7,703,475	7,226,319
238,383	50,176	-	-	288,559	209,255
-	-	9,416,680	-	10,350,503	9,060,488
-	-	1,443,677	-	1,581,983	782,302
238,383	50,176	10,860,358	-	12,221,046	10,052,046
$ 3,631,479	$ 127,782	$11,143,071	$ 1,749,707	$19,924,522	$17,278,365

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FISCAL YEARS ENDED 1984

(In Thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL SEPTEMBER 30	SPECIAL REVENUE (NOTE 1)	DEBT SERVICE (NOTE 1)
REVENUES			
Taxes	$ 6,296,591	$ 2,109,145	$ -
From federal agencies	2,599,249	430,905	-
From local agencies	105,761	17,010	7,233
From services	52,876	1,610	-
From licenses and permits	90,099	53,012	4,972
Miscellaneous	127,260	703,468	7,488
Total Revenues	9,271,838	3,315,151	19,693
EXPENDITURES			
Current:			
General government	489,984	360,607	150
Education	1,313,874	2,018,823	-
Health and welfare	4,042,865	-	-
Public safety and corrections	424,621	-	-
Conservation, recreation, and agriculture	180,311	2,146	-
Labor, commerce, and regulatory	365,025	136,556	-
Mental health	711,658	-	-
Transportation	9,325	775,740	-
State-local revenue sharing grants	674,312	-	-
Items not assigned to a function	6,913	-	-
Capital outlay	21,597	388,988	-
Debt service:			
Principal retirement	-	-	86,921
Interest and fiscal charges	-	-	97,711
Total Expenditures	8,240,489	3,682,862	184,782
Excess of Revenues over (under) Expenditures	1,031,349	(367,711)	(165,088)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	209,398	-
Operating transfers in	142,894	1,134,439	165,348
Operating transfers out	(539,513)	(849,610)	(4,236)
Provision for loss on amounts due from local units (Note 9)	-	-	-
Total Other Financing Sources (Uses)	(396,618)	494,228	161,112
Cumulative Effect of Accounting Change (Note 4)	10,666	2,060	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses after Accounting Change	645,397	128,577	(3,976)
Fund Balances (Deficit) - Beginning of fiscal year as previously reported	(396,753)	444,976	17,526
Effect of accounting changes (Note 4)	-	149,014	67,090
Fund Balances (Deficit) - Beginning of fiscal year - restated	(396,753)	593,990	84,616
Equity transfers from other funds	-	-	-
Equity transfers to other funds	-	-	-
Fund Balances (Deficit) - End of Fiscal Year	$ 248,644	$ 722,568	$ 80,639

The accompanying notes are an integral part of the financial statements.

GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
			FISCAL YEARS ENDED	
CAPITAL PROJECTS SEPTEMBER 30	STATE AUTHORITIES (NOTE 1)	EXPENDABLE TRUST SEPTEMBER 30	1984	1983 (RESTATED)
$ -	$ -	$ 52,923	$ 8,458,660	$ 7,372,662
96	-	112,639	3,142,891	2,857,940
-	-	12,398	142,403	168,836
-	-	-	54,486	64,048
-	-	-	148,083	139,168
2,126	-	358,165	1,198,509	1,053,014
2,223	-	536,127	13,145,034	11,655,670
-	-	84,723	935,465	854,222
-	-	27,111	3,359,808	3,097,458
-	-	1	4,042,866	3,770,790
-	-	-	424,622	374,122
37	-	-	182,495	185,644
-	-	90,471	592,053	523,035
-	-	5,630	717,288	635,865
-	-	114,580	899,645	754,418
-	-	-	674,312	595,097
-	-	-	6,913	64,370
999	-	-	411,585	287,323
-	-	-	86,921	89,484
-	-	-	97,711	68,630
1,036	-	322,518	12,431,689	11,300,463
1,186	-	213,608	713,344	355,207
-	-	-	209,398	377,659
-	-	3,344	1,446,027	1,370,346
(824)	-	(28,902)	(1,423,085)	(1,310,802)
-	-	-	-	(89,500)
(824)	-	(25,557)	232,340	347,703
-	-	25,414	38,141	(5,075)
362	-	213,465	983,826	697,835
19,912	216,105	1,212,436	1,514,204	758,720
-	(216,105)	17,897	17,897	75,544
19,912	-	1,230,334	1,532,101	834,265
-	-	267	267	-
-	-	(389)	(389)	-
$ 20,275	$ -	$ 1,443,677	$ 2,515,805	$ 1,532,101

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES

FISCAL YEARS ENDED 1984
(In Thousands)

Statutory/Budgetary Basis	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ 6,364,100	$ 6,362,481	$ (1,619)	$ 2,055,400	$ 2,109,145	$ 53,745
From federal agencies	2,992,800	2,731,066	(261,734)	453,400	430,809	(22,591)
From local agencies	111,700	107,649	(4,051)	12,600	17,010	4,410
From services	57,800	52,876	(4,924)	500	748	248
From licenses and permits	91,700	90,099	(1,601)	49,116	48,380	(736)
Miscellaneous	123,000	126,912	3,912	699,599	684,090	(15,509)
Total Revenues	9,741,100	9,471,085	(270,015)	3,270,615	3,290,184	19,569
EXPENDITURES AND ENCUMBRANCES						
Current:						
General government	562,070	493,525	68,545	365,116	360,906	4,210
Education	1,314,514	1,317,596	(3,082)	1,950,647	1,955,224	(4,577)
Health and welfare	4,290,439	4,320,541	(30,101)	-	-	-
Public safety and corrections	432,150	427,913	4,236	-	-	-
Conservation, recreation, and agriculture	186,340	185,660	679	729	5,843	(5,114)
Labor, commerce, and regulatory	406,496	394,718	11,778	138,805	136,475	2,330
Mental health	723,000	714,333	8,666	-	-	-
Transportation	9,325	9,325	-	897,999	827,437	70,562
State-local revenue sharing grants	674,312	674,312	-	-	-	-
Items not assigned to a function	-	6,913	(6,913)	-	-	-
Capital outlay	50,600	49,991	609	498,415	475,434	22,981
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures and Encumbrances	8,649,250	8,594,832	54,417	3,851,713	3,761,321	90,392
Excess of Revenues over (under) Expenditures and Encumbrances	1,091,850	876,252	(215,598)	(581,099)	(471,138)	109,961
OTHER FINANCING SOURCES (USES)						
From bond issues	-	-	-	144,800	107,714	(37,086)
Operating transfers in	232,700	142,894	(89,806)	1,108,400	1,130,448	22,048
Operating transfers out	(535,157)	(539,503)	(4,346)	(826,436)	(811,333)	15,103
Total Other Financing Sources (Uses)	(302,457)	(396,609)	(94,152)	426,764	426,829	65
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/Budgetary basis)	$ 789,393	479,643	$ (309,750)	$ (154,335)	(44,309)	$ 110,026
Reconciling Items (Note 3):						
Encumbrances at September 30		82,607			148,677	
Net effect of basis differences		83,147			1,589	
Nonappropriated activities		-			22,621	
Net Reconciling Items		165,754			172,887	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		645,397			128,577	
FUND BALANCES (GAAP BASIS)						
Beginning balances previous reported		(396,753)			444,976	
Effect of accounting change (Note 4)		-			149,014	
Beginning balances - restated		(396,753)			593,990	
Ending balances (GAAP Basis)		$ 248,644			$ 722,568	

The accompanying notes are an integral part of the financial statements.

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ 8,419,500	$ 8,471,626	$ 52,126
-	-	-	-	96	96	3,446,200	3,161,971	(284,229)
10,848	7,233	(3,615)	-	-	-	135,148	131,892	(3,256)
-	-	-	-	-	-	58,300	53,624	(4,676)
4,972	4,972	-	-	-	-	145,788	143,451	(2,337)
1,682	2,006	323	-	2,126	2,126	824,281	815,134	(9,147)
17,503	14,211	(3,291)	-	2,223	2,223	13,029,218	12,777,703	(251,514)
150	150	-	-	-	-	927,336	854,581	72,755
-	-	-	-	-	-	3,265,161	3,272,820	(7,659)
-	-	-	-	-	-	4,290,439	4,320,541	(30,102)
-	-	-	-	-	-	432,150	427,913	4,237
-	-	-	-	37	(37)	187,069	191,540	(4,471)
-	-	-	-	-	-	545,301	531,193	14,108
-	-	-	-	-	-	723,000	714,333	8,667
-	-	-	-	-	-	907,324	836,762	70,562
-	-	-	-	-	-	674,312	674,312	-
-	-	-	-	-	-	-	6,913	(6,913)
-	-	-	1,158	1,138	20	550,173	526,563	23,610
74,765	74,765	-	-	-	-	74,765	74,765	-
45,579	45,399	179	-	-	-	45,579	45,399	180
120,494	120,314	179	1,158	1,176	(18)	12,622,615	12,477,643	144,972
(102,990)	(106,103)	(3,112)	(1,158)	1,046	2,204	406,603	300,057	(106,545)
-	-	-	-	-	-	144,800	107,714	(37,086)
105,837	100,275	(5,561)	-	-	-	1,446,937	1,373,617	(73,319)
(4,236)	(4,236)	-	(824)	(824)	-	(1,366,653)	(1,355,896)	10,757
101,601	96,039	(5,561)	(824)	(824)	-	225,084	125,435	(99,648)
$ (1,389)	(10,063)	$ (8,674)	$ (1,982)	222	$ 2,204	$ 631,687	425,493	$ (206,194)
	-			140			231,424	
	-			-			84,736	
	6,085			-			28,706	
	6,085			140			344,866	
	(3,976)			362			770,360	
	17,526			19,912			85,661	
	67,090			-			216,104	
	84,616			19,912			301,765	
	$ 80,639			$ 20,275			$ 1,072,126	

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS/FUND BALANCES
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEARS ENDED 1984
(In Thousands)

	PROPRIETARY FUND TYPES		
	ENTERPRISE (NOTE 1)	INTERNAL SERVICE SEPTEMBER 30	STATE AUTHORITIES (NOTE 1)
OPERATING REVENUES:			
Operating revenues	$ 414,297	$ 276,738	$ -
Contributions from members and employers	-	-	-
Interest income on loans	199,823	-	-
Investment revenue (net)	95,643	-	-
Miscellaneous operating income	13,537	-	-
Total Operating Revenues	723,302	276,738	-
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses (Note 4)	53,069	30,254	-
Interest expense	270,810	-	-
Depreciation	1,010	7,191	-
Purchases for resale	322,520	23,263	-
Purchases for manufacturing	-	3,994	-
Payment of premiums and claims	-	196,389	-
Benefits, insurance, and refunds	-	-	-
Other operating expenses	6,928	-	-
Total Operating Expenses	654,340	261,092	-
Operating Income (Loss)	68,962	15,645	-
NONOPERATING REVENUES (EXPENSES):			
Interest revenue (expense)	14	-	-
Mineral rights revenue	14,000	-	-
Specific tax on spirits	7,084	-	-
Gain (loss) on disposal of fixed assets	-	466	-
Research center grants	(4,000)	-	-
Other nonoperating revenues (expenses)	25	10	-
Total Nonoperating Revenues (Expenses)	17,124	476	-
Income (Loss) Before Operating Transfers	86,087	16,122	-
OPERATING TRANSFERS:			
Operating transfers in	3,179	2,122	-
Operating transfers out	(22,651)	(1,531)	-
Total Operating Transfers In (Out)	(19,472)	591	-
Net Income (Loss) Before Accounting Change	66,615	16,713	-
Cumulative Effect of Accounting Change (Note 4)	(3,526)	(675)	-
Net Income (Loss) After Accounting Change	63,088	16,038	-
Retained Earnings and Contributions/Fund Balances - Beginning of Fiscal Year - as previously reported	18,883	33,961	156,411
Effect of accounting change (Note 4)	156,411	-	(156,411)
Retained Earnings and Contributions/Fund Balances - Beginning of Fiscal Year - restated	175,294	33,961	-
Contributed capital-fixed assets	-	54	-
Equity transfer from (to) other funds	-	122	-
Retained Earnings and Contributions/Fund Balances - End of Fiscal Year	$ 238,383	$ 50,176	$ -

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FISCAL YEARS ENDED	
RETIREMENT RELATED TRUST FUNDS SEPTEMBER 30	1984	1983 (RESTATED)
$ -	$ 691,036	$ 656,583
690,057	690,057	637,506
-	199,823	170,396
898,355	993,998	1,079,660
6,490	20,028	18,571
1,594,902	2,594,943	2,562,718
3,931	87,254	84,080
-	270,810	230,737
-	8,201	6,233
-	345,783	338,312
-	3,994	4,333
-	196,389	185,841
480,919	480,919	444,055
-	6,928	8,877
484,851	1,400,283	1,302,470
1,110,051	1,194,659	1,260,247
-	14	66
-	14,000	10,500
-	7,084	6,971
-	466	100
-	(4,000)	(2,250)
-	35	41
-	17,601	15,430
1,110,051	1,212,260	1,275,678
87	5,389	8,574
(4,147)	(28,330)	(68,120)
(4,060)	(22,941)	(59,546)
1,105,990	1,189,319	1,216,131
-	(4,201)	(1,175)
1,105,990	1,185,117	1,214,956
8,310,689	8,519,945	7,171,001
-	-	129,829
8,310,689	8,519,945	7,300,830
-	54	4,157
-	122	-
$ 9,416,680	$ 9,705,239	$ 8,519,945

STATE OF MICHIGAN
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEARS ENDED 1984
(In Thousands)

	PROPRIETARY FUND TYPES	
	ENTERPRISE (NOTE 1)	INTERNAL SERVICE SEPTEMBER 30
SOURCES OF FUNDS:		
From Operations:		
Net income (loss)	$ 63,088	$ 16,038
Items not requiring (providing) working capital:		
Depreciation	1,010	7,191
Compensated absences - long-term portion	3,081	494
Disability claims - long-term portion	-	4,148
Provision for losses on mortgage loans	1,002	-
Amortization of deferred items	6,770	-
Loss (gain) on disposal of fixed assets	-	(432)
Contributed fixed assets included in operating transfers	(844)	-
Working Capital Provided (Used) from Operations	74,107	27,439
Proceeds from bonds and notes sold	436,401	-
Principal repayments on loans	167,013	-
Decrease in noncurrent investments (net)	14,135	-
Equity transfer from (to) other funds	-	122
Sale of fixed assets	4	2,724
Working Capital Provided (Used)	691,662	30,286
Contributed fixed assets	-	53
Capitalization of leases	-	-
Total Sources (Uses) of Funds	$ 691,662	$ 30,339
APPLICATION OF FUNDS:		
Increase in noncurrent investments (net)	$ 40,800	$ -
New loans issued	493,469	-
Decrease in long-term bonds and notes payable	157,102	-
Increase in other noncurrent assets	857	11,450
Acquisition of fixed assets	1,020	16,359
Capitalization of fixed assets	-	176
Reduction in long-term lease obligation	-	132
Decrease in other long-term liabilities	-	-
Net increase (decrease) in working capital	(1,587)	2,219
Total Application of Funds	$ 691,662	$ 30,339
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:		
Cash and cash equivalents	$ 13,507	$ (7)
Equity in Common Cash	(19,123)	24,604
Amounts due from other funds	71	(29)
Amounts due from federal agencies	(1,002)	-
Amounts due from local units	-	17
Inventories	(12,457)	445
Investments	(40,083)	-
Other current assets	21,529	1,254
Warrants outstanding	(111)	(448)
Accounts payable and other liabilities	81,276	(5,834)
Amounts due to other funds	367	66
Bonds and notes payable - current	(24,272)	-
Interest payable	(6,162)	-
Deferred revenue	(846)	(17,847)
Escrow funds	(14,279)	-
Net Increase (Decrease) in Working Capital	$ (1,587)	$ 2,219

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
RETIREMENT RELATED TRUST FUNDS SEPTEMBER 30	FISCAL YEARS ENDED	
	1984	1983
$ 1,105,990	$ 1,185,117	$ 1,214,956
-	8,201	6,233
-	3,575	1,191
-	4,148	3,147
-	1,002	1,710
-	6,770	5,848
-	(432)	(99)
-	(844)	(944)
1,105,990	1,207,537	1,232,042
-	436,401	588,984
-	167,013	83,939
382	14,517	-
-	122	-
-	2,729	1,622
1,106,373	1,828,321	1,906,588
-	53	4,157
-	-	594
$ 1,106,373	$ 1,828,375	$ 1,911,339
$ 1,440,262	$ 1,481,062	$ 977,620
-	493,469	278,213
-	157,102	115,039
-	12,308	7,820
-	17,380	11,188
-	176	4,157
-	132	278
-	-	1,256
(333,889)	(333,257)	515,766
$ 1,106,373	$ 1,828,375	$ 1,911,339
$ 183	$ 13,682	$ 50,686
(138,833)	(133,353)	(107,128)
1,093	1,134	(7,862)
-	(1,002)	1,312
(5,805)	(5,787)	12,140
-	(12,011)	(1,653)
(164,702)	(204,786)	639,645
19,585	42,369	(23,700)
(7,598)	(8,157)	(2,549)
(37,811)	37,629	(25,390)
-	433	100
-	(24,272)	7,326
-	(6,162)	(20,088)
-	(18,694)	3,419
-	(14,279)	(10,491)
$ (333,889)	$ (333,257)	$ 515,766

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 1984

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the State conform to generally accepted accounting principles as applicable to governments in all material aspects except for general fixed assets and capital lease recording and reporting, and the omission of certain component unit activities which are described below. The following is a summary of the more significant policies:

A. Reporting Entity

In accordance with the National Council on Governmental Accounting (NCGA) Statement 3, continuing in force under the Governmental Accounting Standards Board (GASB), these financial statements include the financial transactions of all government organizations, except as discussed in the following paragraphs, for which the State has ability to exercise significant oversight. The extent of oversight responsibility was evaluated based upon several criteria including: selection of governing authority, designation of management, the ability of the State to significantly influence operations, and accountability for fiscal matters including the level of State financing and/or moral or legal responsibility for the long-term debt of the organizations. Based upon this evaluation, the following component units were added to the State's Annual Financial Report beginning with fiscal year 1982-83 and presented in two discrete columns:

STATE AUTHORITIES

Governmental Fund Types	Proprietary Fund Types
State Building Authority	Michigan State Housing Development Authority
Mackinac Bridge Authority	Michigan State Hospital Finance Authority
Michigan Job Development Authority	Michigan Higher Education Student Loan Authority
Michigan Higher Education Facilities Authority	Michigan Economic Development Authority
Michigan Family Farm Development Authority	Mackinac Island State Park Commission

As more fully explained in Notes #2 and #4, this year the governmental component units' statements have been blended into the various fund types with other State funds and the proprietary units are included as enterprise funds. This change was made because the use of discrete columns was limited by NCGA Statement 7.

The following two organizations were determined to be a part of the State of Michigan reporting entity but have not been included in their entirety in the State of Michigan Comprehensive Annual Financial Report:

Michigan Employment Security Commission (MESC) - The Michigan Unemployment Compensation Fund (MUCF) of the MESC has not been included because audited financial statements prepared in accordance with generally accepted accounting principles are not available. Two other funds of the MESC are included. These are the Michigan Employment Security Act Administration Fund (a special revenue fund), and the Michigan Employment Security Act Contingency Fund (a trust fund). See Note 17 for additional disclosure regarding long-term liabilities of the MUCF.

Michigan Higher Education Assistance Authority (MHEAA) - The MHEAA has not been included in its entirety because audited financial statements prepared in accordance with generally accepted accounting principles are not available. As in prior years, a portion of the financial transactions of the MHEAA is included in a trust fund of the same title.

An additional organization, the Michigan State Accident Fund (MSAF), substantially meets the criteria for inclusion in the reporting entity. However, a final determination has not yet been made because of a pending court case, which is expected to result in clarification of the MSAF status as either a State agency or a private organization. Therefore, the MSAF has not been included, in its entirety, in this report. The State currently accounts for a portion of the MSAF within its own accounting system. This portion is included as a trust fund titled the Michigan State Accident Fund. A separately issued financial report is available upon request from the MSAF.

Institutions of higher education, circuit courts, district courts, and probate courts, except for amounts paid by the State for operating assistance and certain capital outlay activities, have not been included in these financial statements. Inclusion of these organizations is not required because the State does not exercise significant oversight in its relationships with them.

Note 1 continued on next page.

As in prior years, the Michigan Supreme Court, the Michigan Court of Appeals, the Court of Claims, the 36th District Court, and the Wayne County Circuit Court have been included in the reporting entity. The financial transactions of these courts are included in the General Fund.

The State is also party to a joint venture entered into with the Canadian government for the operation of the International Bridge at Sault Ste. Marie, Michigan. The International Bridge Authority is governed by a commission made up of five members, three from the State and two from the Canadian government. Summary financial information (in thousands) for the authority as of its fiscal year ended August 31, 1984 with comparative information for the fiscal year ended August 31, 1983 is as follows:

	1984	1983
Current Assets	$1,574	$1,257
Current Liabilities	502	398
Total Equity	1,072	859
Total Revenues	2,650	2,310
Total Expenditures	2,437	1,961
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	213	349
Fixed Assets (cost)	2,455	2,385
Long-Term Debt (Bonds Payable)	7,850	7,850

B. Basis of Presentation

With the exception of component unit statements added pursuant to NCGA Statement 3, the financial transactions of the State are recorded in individual funds in the State's central accounting system. The various funds and units, as more fully explained in Note #2, are combined into the various fund types described below:

GOVERNMENTAL FUND TYPES

General Fund: The General Fund is the State's primary operating fund. It is used to account for general purpose financial resources and restricted revenues which are not required to be accounted for in separate funds.

Special Revenue Funds: This fund group includes operating funds and component unit activities which account for the proceeds of certain specific revenue sources that are legally restricted for specified purposes.

Capital Project Funds: Funds used to account for the acquisition or construction of major State capital facilities which are financed by bond proceeds are reported in this fund group.

Debt Service Funds: This group accounts for the accumulation of resources for, and the payment of, general long-term debt principle and interest.

PROPRIETARY FUND TYPES

Enterprise Funds: This fund group includes component units and funds whose operations and finances are accounted for in a manner similar to private business enterprises. For this group, it is the intent of the State that: (a) the costs (i.e., expenses, including depreciation) of providing goods or services to the general public be financed primarily by user charges; or (b) "net income" be periodically determined and used as appropriate for capital maintenance, management control, or other purposes.

Internal Service Funds: This group is similar to enterprise funds except that the goods or services are provided primarily to other agencies or funds of the State, rather than to the general public.

FIDUCIARY FUND TYPES

Trust and Agency Funds: This group includes assets held by the State in a trustee or agent capacity. The group is subdivided into three subtypes: (a) retirement funds which are accounted for similarly to the proprietary funds; (b) expendable trust funds, which are accounted for similar to governmental funds; and (c) agency funds which are purely custodial in nature and for which asset and liability balances, but not operating results, are included in the general purpose financial statements.

Note 1 continued on next page.

ACCOUNT GROUPS

General Fixed Asset Group: This group of accounts, which is not included in this report, would be used to account for the fixed assets (i.e., land, buildings, and equipment) owned by the State, except for those assets accounted for in the proprietary fund types. The reason that the State does not include this group is that most record keeping is decentralized and historical cost data is not currently available for many assets. A project is currently underway which should result in this group being included in future years.

General Long-term Obligations Group: This group accounts for all of the long-term obligations of the State, except for those accounted for directly in a fund.

TOTALS (MEMORANDUM ONLY)

Amounts in the "total - memorandum only" columns represent a summation of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, interfund transactions that have not been eliminated, and the caption "amounts to be provided," which is not an asset in the usual sense. Consequently, amounts shown in the "total - memorandum only" columns are not comparable to a consolidation.

C. Basis of Accounting

Except for the statutory/budgetary differences explained in Note #3 and the treatment of capital leases explained in Note #19, the governmental fund types, expendable trust funds, and agency funds are accounted for on the modified accrual basis of accounting. The proprietary fund types and retirement trust funds use the accrual basis.

The modified accrual basis emphasizes the measurement of current financial resources and obligations (i.e., "financial flow" focus). Therefore, fund revenues and other financing sources are recorded when financial resources become "available" to fund current liabilities; expenditures are recorded when financial obligations (other than general long-term obligations) are incurred; and unreserved fund balance reflects current financial resources available for the purpose of the fund.

The accrual basis emphasizes the measurement of "net income," (i.e., "capital maintenance" focus). Using this basis, revenues are recognized when "earned" and expenses are recognized when "incurred." All financial resources and obligations of the fund, whether current or noncurrent, are recorded in the fund; fund equity represents contributed capital and retained earnings. The primary differences in these bases are:

(1) Most long-term liabilities related to governmental fund types are reported in the general long-term obligations account group, rather than as fund liabilities. The proceeds of long-term borrowings result in increases to fund balance because "other financing sources" are credited to the fund. Fund liabilities related to general long-term obligations are recognized when they become "due and payable."

(2) Fixed asset acquisitions are recorded as expenditures of governmental fund types in the year acquired. Such assets are capitalized in proprietary fund types, with depreciation expense recognized over the life of the asset.

(3) In governmental funds, accrued revenue receivable which is not "available" is recorded as deferred revenue. Other noncurrent assets result in reservations of fund balance. Such deferrals and reserves are usually not reflected in proprietary type funds.

D. Fiscal Year-Ends

All funds and component units are reported using fiscal years which end on September 30 except for three authorities which are reported using fiscal years that end on June 30. The three authorities are the Mackinac Bridge Authority (special revenue), the Michigan State Housing Development Authority, and the Michigan State Hospital Finance Authority (enterprise).

Note 1 continued on next page.

E. Assets, Laibilities, and Fund Equity

Equity in Common Cash: The State Treasurer maintains centralized management of most State cash resources (not including component units added pursuant to Statement 3). The operations of the common cash pool are described in Note #5 to these statements.

Taxes Receivable: Tax revenue is accrued to the extent that it is measurable and available. Sales, use, and personal income tax withholding is accrued to the extent that the related sales or wage payments occurred prior to October 1 and the State receives deposits prior to December 1. Single business tax revenue is similarly accrued, with receipts through early December (i.e., quarterly filings are due November 30) recognized as revenue to the extent that the activities being taxed occurred prior to October 1. Additional information on taxes receivable is provided in Note #6.

Federal Revenue Receivables: For most funds, federal revenue is accrued so that revenue is recognized in the same period as related expenditures and encumbrances. Because of the long-term nature of construction related contracts in Transportation related special revenue funds, in particular the State Trunkline Fund, federal revenues are not recorded based on encumbrances in those funds.

Certain federal grant revenue and related expenditures are not on the modified accrual basis. In programs financed entirely by the federal government, expenditures and related revenues are recognized only to the extent of billings received by fiscal year end. This treatment is generally limited to State-local programs within the Department of Education.

Inventories: Inventories are valued at cost and expenditures/expenses are recognized using the consumption method (i.e., when used or sold).

Investments: Equity securities are stated at cost and debt securities are stated at amortized cost. Market value information is provided in Note #10.

Property, Plant, and Equipment: In the proprietary fund types, buildings and equipment, if material to a fund or component unit, are generally capitalized at cost upon acquisition and depreciated over the expected life of the assets. Depreciation is calculated using the straight line method, except for automotive equipment in the Motor Transport Revolving Fund (an internal service fund) which is depreciated using the 150% declining balance method. Land has been capitalized only in the Michigan State Fair Revolving Fund and in the Mackinac Island State Park Commission (enterprise funds). Note #12 provides additional details regarding the amounts recorded.

Warrants Outstanding: Warrants outstanding represent drafts issued against the State Treasurer which have not yet cleared. These are somewhat similar to outstanding checks; however, cash is not reduced until the warrant is redeemed.

Estimated Income Tax Refunds Payable: The amount of collected or accrued personal income tax revenues that will be refunded is estimated and accrued as a General Fund liability. The statutory/budgetary basis recognizes these liabilities only to the extent that they have been paid through November. The amount paid through November 30 was $37 million this year and $27 million last year. These amounts are included in the "Accounts payable and other liabilities" line. The "Estimated income tax refunds payable" line represents refunds to be made after November 30, that are currently recognized only for GAAP reporting. As explained in Note #3, the State has reserved certain revenues to fund the recording of this liability on the statutory/budgetary basis in future years. Note #8 explains the impact of tax credit programs on the amounts being accrued.

Prize Awards Payable: The State Lottery Fund, a special revenue fund, includes a long-term liability for prize awards which are payable in installments. The liability is recorded at present value using a discount rate of 6%. It is included in this fund, rather than in the general long-term obligations group, because the assets to liquidate the liability are also reported in the fund.

Deferred Revenue: Deferred revenue is recognized when cash, receivables, or other assets are received or recognized prior to their being earned or available. Unearned revenue deferrals are classified with current liabilities; unavailable revenue deferrals are classified as short-term or long-term based upon whether the related receivable is due within 12 months.

Note 1 continued on next page.

Long-Term Liabilities: General long-term obligations which are not reported as fund liabilities are reported in the general long-term obligations account group. The group, which is more fully described in Note 16, includes general obligation and revenue dedicated bonds, compensated absences and judgments, workers' compensation, early retirement program, and unemployment compensation fund interest deferral liabilities related to the funds accounted for on the modified accrual basis. These liabilities result in fund expenditures when they become "due and payable."

Long-term liabilities of the proprietary funds are recognized in the funds, except for the portions of the workers' compensation liability for which fund distribution has not been calculated.

Liabilities from capitalizable leases, which NCGA Statement 5 now requires to be recorded upon lease inception, have not been recorded, as explained more fully in Note #19.

Fund Equity: Fund equity represents the difference between fund assets and fund liabilities. The fund equity of proprietary funds is called "Retained earnings and contributions;" the governmental and fiduciary funds' fund equity is called "fund balance."

Fund balance is broken down into reserved and unreserved portions. The reserved fund balances are portions which are not available for the general purposes of the funds. These reserves include carry-forwards of spending authority to fund encumbrances, funds legally restricted for specific purposes, and reserves related to noncurrent assets. Additional detail related to reservations of fund balance is provided in Note #24.

F. Revenues, Expenditures, Encumbrances, Expenses, and Other Financing Sources and Uses

Revenues: Revenues are reported by source. For budgetary control purposes, revenues are further classified as either "general purpose" or "restricted." General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either by State law or by outside restriction (e.g., federal grants), available only for specified purposes. Unused restricted revenues at year-end are recorded as reservations of fund balance.

Expenditures: Expenditures are reported by character: "Current," "Capital outlay," or "Debt service." Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Capital outlay includes expenditures for real property or infrastructure (e.g. highways). Debt service includes both interest and principal outlays related to bonds accounted for in the general long-term obligations account group.

Encumbrances: Encumbrances are recorded only to the extent that spending authority carry-over is allowed or required for budgetary purposes. Noncapital outlay encumbrances carry-over only if the encumbrance is a legal obligation that was entered into prior to September 16, is for a nonrecurring item, and does not specify delivery after September 30. Capital outlay related encumbrances are recognized through September 30, but only if unused line-item authority exists. Capital outlay encumbrances in excess of authorizations are to be funded from subsequent year revenues, as more fully described in Note #27.

Expenses: Expenses are classified as operating or nonoperating and are subclassified by object (e.g., salaries, depreciation, and purchases for resale).

Other Financing Sources: These additions to governmental fund balances should include resources and financing provided by bond proceeds, capital leases, and operating transfers from other funds. To this date, the State has not treated capital leases in this manner, as more fully explained in Note #19.

Other Financing Uses: These are reductions of governmental fund resources, normally resulting from operating transfers to other funds.

G. Interfund Transactions

Operating Transfers In (Out): Except as described below, transactions between funds are classified as operating transfers. These include most of the routine transfers of resources between funds, such as when funds received in one fund are used to finance expenditures appropriated in another funds.

Note 1 continued on next page.

Equity Transfers: Residual equity transfers are used to record nonrecurring or nonroutine transfers of equity between funds.

Reimbursements: The reimbursement method reclassifies expenditures/expenses from the fund originally making a disbursement to the fund in which the expenditure/expense is more properly attributable.

Quasi - External Transactions: This method treats interfund transactions as if they were occurring with an outside entity. Internal service and retirement trust funds revenues are reported using this method.

NOTE 2 -- FUNDS BY CLASSIFICATION

The following table lists all of the funds and component unit statements which make up the various fund types. Component unit statements which were not considered part of the State reporting entity prior to implementation of NCGA Statement 3 are identified by an *.

General Fund

Special Revenue Funds:

Transportation Related:

- State Aeronautics Fund
- State Trunkline Fund
- Michigan Transportation Fund
- Comprehensive Transportation Fund
- Comprehensive Transportation Bond Construction Fund
- 1983 State Trunkline Fund Bond Proceeds Fund
- 1984 Comprehensive Transportation Bond Proceeds Fund
- 1984 State Trunkline Fund Bond Proceeds Fund

Conservation and Recreation Related:

- Game and Fish Protection Fund
- Michigan State Waterways Fund
- Marine Safety Fund
- State Park Improvement Fund
- State Recreational Land Acquisition Trust Fund
- Water Pollution Control Bond Fund
- State Sewer Construction Fund
- Hazardous Waste Management Fund
- Michigan Nongame Fish and Wildlife Fund

Regulatory and Administrative Related:

- Michigan Employment Security Act - Administration Fund
- Motor Vehicle Accident Claims Fund
- Safety Education and Training Fund
- State Construction Code Fund
- Michigan Justice Training Fund
- Construction Lien Recovery Fund
- State Lottery Fund

State Authorities:

- State Building Authority*
- Michigan Higher Education Facilities Authority*
- Michigan Family Farm Development Authority*
- Michigan Job Development Authority*
- Mackinac Bridge Authority*

Other:

- Counter-Cyclical Budget and Economic Stabililization Fund
- Michigan Veterans' Benefit (Trust) Fund
- School Aid Fund
- State Campaign Fund
- Vietnam Veteran Era Bonus Fund
- School Bond Loan Fund
- Children's Trust Fund

Debt Service Funds:

- Water Pollution Control Bond and Interest Redemption Fund
- Public Recreation Bond and Interest Redemption Fund
- Vietnam Veteran Era Bonus Bond Redemption Fund
- Comprehensive Transportation Bond and Interest Redemption Fund
- 1983 State Trunkline Fund Bond and Interest Redemption Fund
- 1984 Comprehensive Transportation Bond and Interest Redemption Fund
- 1984 State Trunkline Fund Bond and Interest Redemption Fund
- Michigan Trunkline Bond and Interest Redemption Fund Series II thru IX
- School Loan Bond Redemption Fund
- Expressway Bond and Interest Redemption Fund
- State Park Revenue Bond Fund
- State Building Authority*
- Mackinac Bridge Authority*

Capital Projects Funds:

- Public Recreation Bond Fund
- Detroit X-Way Construction Fund

Note 2 continued on next page.

Enterprise Funds:
- Liquor Purchase Revolving Fund
- Michigan State Fair Revolving Fund
- Department of Natural Resources Magazine Fund
- Michigan State Hospital Finance Authority*
- Michigan Higher Education Student Loan Authority*
- Mackinac Island State Park Commission*
- Michigan Economic Development Authority*
- Michigan State Housing Development Authority*

Internal Service Funds:
- Correctional Industries Revolving Fund
- Federal Surplus Revolving Fund
- Central Drug Repackaging Revolving Fund
- Motor Transport Revolving Fund
- Office Services Revolving Fund
- State Sponsored Group Insurance Fund

Trust Funds:
- Retirement Related:
  - Legislative Retirement Fund
  - State Police Pension, Accident, and Disability Fund
  - State Employees' Retirement Fund
  - Public School Employees' Retirement Fund
  - Probate Judges' Retirement Fund
  - Judges' Retirement Fund
- Other Trust Funds:
  - State Office Buildings Bond Redemption Fund
  - Michigan Employment Security Act Contingency Fund
  - Special Federal Bridge Replacement Fund
  - Michigan State Accident Fund (See Note 1A)
  - State Employees' Health Maintenance Fund
  - Children's Institute Trust Fund
  - Escheats Fund
  - Federal County Road Fund
  - Gifts, Bequests, and Deposits Investment Fund
  - Silicosis, Dust Disease, and Logging Industry Compensation Fund
  - Federal Urban Transportation System Fund
  - Agricultural College Fund - Morrill Act
  - Michigan Higher Education Assistance Authority Fund (See Note 1A)
  - Second Injury Fund
  - Municipal Employees' Retirement Fund
  - Highway Topics and Safety Program Fund
  - Hospital Patients' Trust Fund
  - Federal Housing Administration Mortgages Escrow Fund
  - Self-Insurers' Security Fund
  - State Employees' Deferred Compensation Fund
  - Special Assessment Deferment Fund
  - Urban Land Assembly Loan Fund
  - Utility Consumer Representation Fund
  - U.S. Truck Co., Inc. Workers' Compensation Trust Fund

Agency Funds:
- Receipts Clearing Fund
- Metropolitan Planning Fund
- Contribution Fund (Social Security)
- Airport Authorities Facilities Improvement Trust Fund
- School Emergency Loan Revolving Fund
- Hazardous and Solid Waste Disposal Facilities Closure Guarantee Fund
- Heritage Trust Fund

NOTE 3 -- BUDGETING AND BUDGETARY CONTROL

A. Major Constitutional and Statutory Provisions - Oversight Entity

Balanced Budget: Article V of the State Constitution mandates that the executive budget recommend spending limits per operating fund to the Legislature that are within available resources. Article IV of the State Constitution mandates the Legislature to enact appropriations for a fund that do not exceed that fund's revenue estimates. When it appears that revenue will fall below the estimates on which the appropriations are based, the Governor is to recommend spending reductions as necessary to avoid a year-end deficit.

Revenue Limits: Article IX, section 26 restricts State revenues to a ceiling based upon revenues as a proportion of personal income. Revenues for 1983-84 were below the ceiling.

Local Spending Requirements: Article IX, section 30 requires that State spending to, or on behalf of, local units of government not fall below 41.61% of total State spending. Calculation of the percentage paid in 1983-84 is not yet complete, however, it is anticipated that payments to local units exceeded the requirement.

Note 3 continued on next page.

For the fiscal year 1982-83, there was a shortage of $27.5 million. In anticipation of a shortage of $58.5 million, $58.5 million was appropriated in 1983-84 to the "Local Government Payment Fund" which is accounted for as a General Fund reservation. The disposition of that "fund" is as follows (in thousands):

Lapse of overestimated shortage	$30,975
Transferred to fund the Youth Corp Program	9,887
Carried over to 1984-85	17,637
Total Appropriated	$58,500

For the fiscal year 1981-82, it was originally calculated that there was a shortage in that year of $19.4 million. Subsequent calculations, using criteria established by P.A. 229 of 1984, identified additional spending not included in the original projection and after adjustment there was no shortage for 1981-82.

Budget Stabilization Fund: The Counter-Cyclical Budget and Economic Stabilization Fund was created by Public Act 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession. In general, the law requires payments into the fund when real economic growth exceeds 2% and allows withdrawals from the fund when real economic growth is less than 0%. During 1983-84, no payments were made into or out of the fund because real economic growth was between -0- and 2%. Because economic growth is projected to exceed 2%, for fiscal year 1984-85 it is estimated that payments of $386.7 million into the fund will be required.

B. Budgetary Control - Oversight Entity

Revenues: General purpose (unrestricted) revenue estimates are provided in both the original executive budget and in original legislative appropriations in order to demonstrate compliance with constitutional provisions. These estimates are not subsequently updated in a formal manner. Revenues restricted by law or outside grantors to a specific program are estimated at a level of detail consistent with providing control to related expenditure accounts. For programs financed from restricted revenues, spending authorizations are, generally, contingent upon receipt of the related revenue. If revenues fall short of estimates, authorizations are proportionately reduced. If revenues exceed the estimate, supplemental appropriations are usually required before they can be spent.

Spending: The level and method of control provided over spending varies significantly between funds and programs. However, most spending authorizations are broken down into object categories (e.g., salaries) by organizational subunits (e.g. divisions) of departments. If a department wishes to transfer spending authority from one account to another, it must, generally, receive legislative approval. Expansion of total spending authority usually requires a supplemental appropriation. In the event that expenditures and/or encumbrances exceed authorization during a year, the department must request a supplemental appropriation (carry back) for the amount overspent.

Budgetary control of spending is maintained by the central accounting system at the appropriation account level. Spending authority accounts are at a level of detail which makes it infeasible to include a comparison of budget to actual at the level of budgetary control in the State's Comprehensive Annual Financial Report. A separate report is published by the Department of Management and Budget detailing the disposition of authorizations at the spending account level.

C. Statutory/Budgetary Presentation - Oversight Entity

This year's "Combined Statement of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances - Budget and Actual - (Statutory/Budgetary Basis) Governmental Fund Types" statement includes a number of changes from prior years. In addition to the changes described in the following two paragraphs, the statement now includes debt service and capital project funds. Last year only the General Fund and special revenue funds group were presented.

Revenue budgets were omitted from last year's statement because the Legislature does not have a process for officially updating its estimates. This year, revenue estimates are included in the budget column primarily using data provided by the Department of Management and Budget, Office of Revenue and Tax Analysis. The estimates represent the office's revenue projections at the time of the department's last approved request during the fiscal year for legislative or executive order action.

Note 3 continued on next page.

The expenditures budget column represents original and supplemental authorizations as adjusted for carry-backs, executive order reductions, approved transfers, restricted revenue shortfall adjustments, and timing differences. The timing differences result from work project and capital outlay authorizations which are provided for a period of more than one year. This year, such authorization balances remaining at year-end were removed from the budget column. "Favorable variances" generally reflect unused general purpose spending authority ("lapses") and/or unused restricted revenue authority which carries over as a reservation of fund balance; "unfavorable variances" reflect budgetary overdrafts. If both favorable and unfavorable variances exist for a particular line, the amount shown is the net variance.

D. Statutory/Budgetary Reconciliation - General Fund and Special Revenue Funds

The statutory/budgetary basis differs from generally accepted accounting principles (GAAP) in two areas. Liabilities are not recognized for estimated income tax refunds payable or annual longevity payments to employees paid in early December.

The following demonstrates the effect on the General Fund of departures from generally accepted accounting principles (GAAP) on unreserved fund balance reported on the statutory/budgetary basis (in thousands):

Statutory/Budgetary Unreserved Fund Balance		$283,187
GAAP Departures		
Accrual of Estimated Income Tax Refunds......	$(748,090)	
Accrual of Longevity Payments...............	(8,333)	
Less: Transfers from the Budget Stabilization Fund.........................	3,600	
Subtotal of GAAP Departures............		(752,823)
Reserves on the Statutory/Budgetary Basis to Fund GAAP Departures		
Working Capital Reserve......................	$ 283,817	
State Accounting and Fiscal Responsibility Account (SAFRA) Reserve....................	128,293	
Subtotal of Reserves....................		412,110
GAAP Unreserved Fund Balance (Deficit).......		$(57,526)

The working capital reserve is being funded by a tax on cigarettes imposed by Public Act 73 of 1982. The State Accounting and Fiscal Responsibility Account (SAFRA) reserve was generated by restriction of a .25% personal income tax increase passed in fiscal year 1982-83. These accounts are being used to fund the elimination of the differences between the statutory/budgetary and GAAP bases. This year the SAFRA account was used to record net accrued liabilities of $101.8 million related to the medicaid program on the statutory/budgetary basis for the first time since fiscal year 1979-80. Current revenue projections indicate that it may be possible to fund the accrual of estimated income tax refunds by September 30, 1985.

Effective with fiscal year 1984-85, most employees will receive their longevity payments on their employment anniversary dates, rather than all in December. For those employees, expenditures will be recognized on the anniversary dates on both bases of accounting, so this difference will be eliminated. This is the only basis difference for special revenue funds, which had total longevity liabilities of $1.5 million.

On the statutory/budgetary basis, the Budget Stabilization Fund is treated as a separate special revenue fund and it has a balance of $3.6 million. On the GAAP basis, the fund's balance is transferred to the General Fund because General Fund deficits on the GAAP basis in prior years would have caused the entire fund to be used. When the GAAP unreserved fund balance deficit is eliminated, the fund will be recorded in the GAAP statements also, thus eliminating this difference.

Note 3 continued on next page.

E. Budgetary Overdrafts

The following summarizes line-item overexpenditures and overencumbrances (in thousands) of oversight entity funds incurred during the year:

General Fund	
Legislative	$ 1
Education	12,933
Social Services	40,211
Military Affairs	6
Commerce	44
Licensing and Regulation	11
Natural Resources	1,659
Items Not Assigned to Departments	6,913
General Fund Total	$61,782
Special Revenue Funds	
Michigan State Waterways Fund	$ 19
Comprehensive Transportation Fund	928
School Aid Fund	7,670
Marine Safety Fund	268
Comprehensive Transportation Bond Construction Fund	1
Special Revenue Funds Total	$ 8,887

In addition to the above, the Water Pollution Control Bond Fund, a special revenue fund, has an accumulated unreserved fund balance deficit of $16.3 million which will be eliminated by the sale of bonds which occurred on November 1, 1984.

F. Nonbudgeted Funds and Component Units

The operations of proprietary type funds and component units, expendable trust funds, and governmental component units added pursuant to NCGA Statement 3 are not, generally, subject to "appropriated budgets" and, therefore, they are not presented in statements comparing budget to actual operating results. The extent and method of budgetary control over these activities by the Legislature or the units' governing bodies varies greatly. "Nonappropriated budgets," as defined by NCGA Interpretation 10, are not readily available for most of these activities, therefore, inclusion of such data in these statements is not practical at this time.

NOTE 4 -- ACCOUNTING CHANGES

Fund Reclassification

The Escheats Fund, formerly reported as an agency fund, was reclassified to the expendable trust fund type pursuant to guidance provided by NCGA Interpretation 9, issued in April 1984. The effect of this reclassification on the fiduciary fund types column of the balance sheet was to increase reserved fund balance and decrease current liabilities by $28.4 million as of September 30, 1984 and $17.9 million as of September 30, 1983. Also, revenues, expenditures, and operating transfers, which were formerly treated as agency fund balance sheet additions and deductions, were added to the Expendable Trust column on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances and prior year figures were restated. Fund revenues in fiscal years 1983-84 and 1982-83 were $13.0 million and $10.5 million respectively, as restated.

Fund Liability Definition

In prior fiscal years, governmental and expendable trust fund liabilities were recognized for the portion of compensated absences and unemployment debt interest expected to be paid within 12 months. This year, because of measurability problems and the desirability of having a consistent fund liability definition for all items included in the general long-term obligations account group, fund liabilities related to these two accruals are recognized when they become "due and payable." This change is also consistent with recent pronouncements of the NCGA dealing with the fund liability issue, as it better reflects the flow of financial resources through the affected funds.

Note 4 continued on next page.

The effect of the change on the current year in recording compensated absences using the "due and payable" method has not been estimated. The net amount of the fund liabilities accrued in the General Fund and special revenue funds as of September 30, 1983 was $10.7 and $2.1 million, respectively.

The effect of the change in recording unemployment debt interest was to decrease trust fund (Michigan Employment Security Act Contingency Fund) liabilities and increase the general long-term obligations account group by $23.2 million as of September 30, 1984. The $25.4 million of trust fund liabilities recorded at September 30, 1983 is reflected on the Cumulative Effect of Accounting Change line on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances.

Component Unit "Blending"

The prior year's statements included two discrete columns, "State Authorities - Governmental" and "State Authorities - Proprietary" for component units added to the State reporting entity under NCGA Statement 3. Discrete reporting is now limited by NCGA Statement 7, so the component unit statements were integrated (i.e., "blended") into the other fund types. The proprietary type units were blended into the enterprise fund group and the effect of this is apparent in Note #25 which provides segment information for the group.

The governmental authorities were blended into the special revenue and debt service fund groups (See Note #2). The effect of this change on the fund groups was as follows:

FUND GROUP	Oversight Entity Funds	Component Units	Total Reported
Special Revenue:			
Total Assets - ending	$1,018,654	$ 191,418	$1,210,072
Total Liabilities - ending	467,721	19,783	487,504
Fund Balances - beginning	444,976	149,014	593,990
Fund Balances - ending	550,932	171,635	722,568
Debt Service:			
Total Assets - ending	$ 9,043	$ 75,525	$ 84,568
Total Liabilities - ending	1,580	2,347	3,927
Fund Balances - beginning	17,526	67,090	84,616
Fund Balances - ending	7,462	73,178	80,640

The blending of the component units' statements into these statements required various adjustments, reclassifications, and fund consolidations to provide consistency in basis and presentation between the units and the State's funds. Amounts presented are, however, reconcilable with audited component unit statements.

Workers' Compensation

The State is self-insured for workers' disability compensation insurance coverage for State employees. In prior years, [illegible] was disclosed in the financial statements but no liability for future benefits was recorded. This year, the State has recorded liabilities for the estimated present value of reported claims in the general long-term obligations account group (See Note #16). This change, which is in accord with NCGA Statement 4, increased the account group's liabilities by $40.9 and $38.4 million as of September 30, 1984 and 1983, respectively.

Compensated Absences

In prior fiscal years, compensated absences liabilities related to certain proprietary type funds, were not recorded in the funds because the amounts applicable to the funds' operations could not be determined. This year, the fund liabilities have been calculated and recorded resulting in: a decrease in the general long-term obligations account group liabilities ($4.2 million); an increase in enterprise fund liabilities ($3.5 million) for the Liquor Purchase Revolving Fund; and an increase in internal service fund liabilities ($.7 million) for the Correctional Industries Revolving Fund. Because prior year amounts could not be determined, prior year amounts have not been restated and the effect of the change is included on the Cumulative Effect of Accounting Changes line on the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Contributions.

Note 4 continued on next page.

Reservations of General Fund Balance for Work Projects

Work projects are nonrecurring projects (other than capital outlay related projects) for which the Legislature has authorized the carry-over of unused spending authority to the next fiscal year. In prior years, the carry-over of this spending authority was disclosed in the statement notes, but fund balance was not reserved. This year, fund balance reserves have been recorded in the amount of $54.0 million. The amount carried over from fiscal year 1982-83, which was not reserved last year, was $10.3 million.

Under generally accepted accounting principles, recording of reserves for these carry-overs is allowed, but not required. This change makes the General Fund treatment of these carry-overs consistent with the treatment used for other State funds.

Veterans' Benefit (Trust) Fund Reserves

In the prior fiscal year, the Veterans' Benefit (Trust) Fund, a special revenue fund, did not include reservations of fund balance for principle balances that are not available for expenditure. This year, the unavailable principle is reflected as a fund balance reservation ($13.7 million) and the prior year amount ($9.2 million) has been restated for this correction.

NOTE 5 -- STATE TREASURER'S COMMON CASH

The Treasurer manages the cash resources of the State so that the excess over current requirements is invested to earn income. Investments are made in short-term U.S. Government securities and prime commercial paper. The statutes which regulate the disposition of common cash surplus funds, permitted the Treasurer to invest in a loan to the Chrysler Corporation which is stated as mortgages in the following table. The terms of this loan which were renegotiated in 1984, provide for an interest rate of 11.0 percent and require annual principal repayments of $25 million through 1989. This loan is secured by a first mortgage on certain land and buildings and by a first security interest in certain equipment. The statutes also allow the Treasurer to purchase municipal bonds from financially troubled municipalities.

Law or administrative policy determines whether individual funds are eligible to receive (or required to pay) interest on their common cash balances. A fund may have a net negative average daily balance and be required to pay interest. Allocations of earnings are made quarterly, based upon the average daily balances of the various funds and the common cash investment earnings rate. Interest calculations are based upon Department of Treasury records. The individual cash balances reported in these statements may differ from those reported by the Department of Treasury in the "Annual Report of the State Treasurer" due to retroactive interfund transfers recorded for accounting and reporting purposes.

Assets of the common cash pool are not segregated by fund. Instead, the receipts of each fund are credited to that fund's equity in the pool. Disbursements are recorded as reductions to the equities of the appropriate State funds.

Imprest cash represents the aggregate of cash advanced to departments and agencies as approved by the State Administrative Board. Such advances are not charged against appropriation accounts, but remain at the agencies' disposal for certain disbursements. The following schedule of assets and equities (in thousands) is a summary of the State Treasurer's Common Cash as of September 30.

	1984	1983
ASSETS		
Cash on hand	$ 51	$ 138
Cash in banks -- demand deposits	51,501	63,843
Cash in banks -- time deposits	100	100
Short-term investments -- at cost	1,207,554	553,218
Municipal bonds -- at cost	8,565	6,700
Mortgages -- at cost	125,000	150,000
	$ 1,392,773	$ 774,000
EQUITIES		
Equities of other funds -- net of liability to State Treasurer's Common Cash	$ 1,382,196	$ 757,747
Agency and department imprest cash accounts and other items	10,577	16,253
	$ 1,392,773	$ 774,000

The market value of short-term investments at September 30, 1984 and 1983 was $1,214.9 and $553.5 million, respectively, with most invested in prime commercial paper.

NOTE 6 -- TAXES RECEIVABLE

In general, taxes receivable represent amounts due to the State at September 30 that were received by the State within 60 days. Delinquent taxes are recognized to the extent that they will be collected within 12 months. Taxes receivable (amounts expressed in thousands), as of September 30, consisted of the following:

	FUND TYPES				
	General	Special Revenue	Expendable Trust	1984 Total	1983 Total
Sales & Use Taxes.....................	$ 128,139	$ 132,092	$ -	$ 260,232	$ 234,105
Individual Income Taxes...............	384,363	-	-	384,363	576,696
Single Business Taxes.................	341,474	-	-	341,474	320,515
Telephone & Telegraph Taxes...........	55,771	-	-	55,771	55,113
Motor Fuel Taxes......................	-	64,322	-	64,322	50,921
Cigarette Taxes.......................	19,270	2,028	-	21,299	23,160
Unemployment Taxes (See note #17).....	-	-	38,345	38,345	5,113
Other Taxes...........................	27,329	-	-	27,329	24,164
Penalties and Interest................	107,927	-	-	107,927	85,272
Gross Taxes Receivable...........	1,064,277	198,445	38,345	1,301,068	1,375,067
Less allowance for uncollectibles.....	(234,472)	(50,607)	-	(285,078)	(228,228)
Less taxes to be received more than 12 months after year end.......	(20,783)	(3,415)	(25,121)	(49,320)	(20,571)
Current Taxes Receivable.........	$ 809,021	$ 144,421	$ 13,224	$ 966,670	$1,126,268

Included in the individual income taxes amount for 1983 was the accrual of $255.8 million related to the State's retroactive income tax increase. Of this $255.8 million, an estimated $207.5 million was collected from October 1983 to January 1984, due to an accelerated withholding rate. In addition, $38.6 million was collected via lower refunds in 1983-84 and $9.7 million was collected through annual payments in 1983-84. For fiscal year 1983-84, there were no retroactive rate changes and, therefore, no special accruals.

Classification Change - In prior years, long-term taxes receivable were subtracted from the receivable shown on the balance sheet by using an allowance account. This year the long-term taxes are classified as long-term assets with deferred revenues used to indicate the unavailable portion. This change is consistent with the suggested treatment for property taxes provided in NCGA Interpretation 3 and also with the State's treatment of other long-term revenue related receivables. Fund balances were not changed by this reclassification which affected the General Fund and Special Revenue Fund types (School Aid and Michigan Transportation Funds). Prior year comparative figures were restated on the balance sheet.

NOTE 7 -- PERSONAL INCOME TAX RATE

For calendar year taxpayers, the personal income tax rate, as established in Public Act 221 of 1984, is scheduled to decline according to the following schedule:

Calendar Year	Tax Rate
1985	5.35%
1986	5.28%
1987	4.97%
1988	4.6 %

The tax rate for calendar year 1984 was 5.85 percent, compared to 6.35 percent in 1983. The tax rate reductions will be accelerated if the sales tax rate is increased or if budgetary departures from generally accepted accounting principles are fully funded (See Note #3).

NOTE 8 -- TAX EXPENDITURES

Individual Income Tax Credits

The Michigan Income Tax Act allows for tax credits which are applied against the computed individual income tax amount. Any of the property tax, farmland preservation or solar energy, and home heating credits may exceed an individual's tax liability and generate a payment to the individual. These credits are accounted for as a reduction of income tax revenue, similar to over withholding refunds. As discussed in Note #3, these credits are accounted for on the modified accrual basis in the GAAP based financial statements and primarily on the cash basis in the statutory/ budgetary financial statements.

Calendar year 1984 estimates and 1983 actual tax return credits are presented in the following table (in millions):

	CALENDAR YEAR	
	1983 Actual	1984 Estimate
Property tax credits		
General homestead	$337.1	$341.3
Senior citizens	228.1	235.0
Veterans	7.6	7.5
Blind and disabled	8.0	9.6
Farmland preservation	63.0	73.0
Subtotal	643.8	666.4
City income tax credit	26.4	27.0
College contribution credit	10.4	11.4
Credit for income tax paid to another state	5.8	6.0
Home heating credit (including federal share)	42.8	44.0
Low income rent credit	2.1	3.1
Solar credit	1.6	2.0
	$732.9	$759.9

Of the 1984 estimated credits, $532.5 million has been established as a liability of the General Fund at September 30, 1984 and is included in the "Estimated Income Tax Refunds Payable" amount of $748.1 million. The corresponding amount of credits accrued in 1983 was $465.2 million, which was included in the total estimated refund liability of $682.2 million.

Credits to Businesses for Supplemental Workers' Compensation Benefits

The State reimburses employers for certain supplemental workers' compensation benefits. Prior to April 1, 1984, the State paid employers directly for these benefits and the payments were recorded as expenditures. Public Acts 45, 46, and 47 of 1984 provided that these reimbursements would, primarily, be made in the form of single business and insurance premium tax credits. Therefore, the reimbursements are now reflected as revenue reductions rather than as expenditures. Total reimbursements under the program were $30.7 million during 1983-84 of which $14.2 million were in the form of paid or accrued credits.

NOTE 9 -- AMOUNTS DUE FROM LOCAL UNITS

Wayne County Receivables

Excluded from "Amounts due from local units" are receivables from Wayne County for certain services provided through February 29, 1984. Under the terms of an agreement between the State and Wayne County, it was agreed to settle disputed amounts that had accumulated over a number of years at $89.5 million. In addition, a long-term repayment schedule was agreed to that included provisions that could have resulted in cancellation of up to $45.65 million of the $89.5 million receivable. In 1982-83, an "allowance for loss" on amounts receivable from local units of government was established for the $89.5 million by a charge to "provision for loss on amounts due from local units" as reflected in the prior year column on the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances."

Note 9 continued on next page.

Under the terms of the agreement, the receivable is scheduled to be repaid in 10 yearly July 1 installments. The payments due on July 1, 1985-88 will be in the amount of $8.55 million and on July 1, 1989-93 in amounts of $9.35 million. If Wayne County's expenditures for certain hospitalization services exceed $3.95 million in any county fiscal year the excess amount up to $8.55 million in 1984-85 and 1985-86, $7.0 million in 1986-87, $4.0 million in 1987-88, and $3.0 million in 1988-89 may be used to offset the scheduled debt repayment. Because of the measurability and availability issues involved in this agreement, recoveries of the receivable will be recognized as a "financing source of funds" only when a final accounting of the county's expenditures for the specified services is available.

During fiscal year 1983-84, the entire scheduled repayment ($8.55 million) was forgiven. In addition, the amount of possible forgiveness in future years was reduced by $5.9 million to adjust for the excess by which actual unbilled amounts exceeded a projected amount used in the original agreement. The following table summarizes the status of this receivable as of September 30 (in thousands):

	1984	1983
Gross Receivable............	$80,950	$89,500
Allowances:		
Possible Offsets...........	31,180	45,650
Long-term Portion..........	49,770	43,850

Outstanding Loans to School Districts

Because there are no specific timetables for repayment, the School Loan Bond Redemption Fund balance sheet does not include $78.4 million of loans made by the State to local school districts and $30.6 million of interest due on these loans. In accordance with Public Act 66 of the Second Extra Session of 1963, repayments from school districts are to be used first to pay interest due and redeem bonds that mature within twelve months from the repayment date. Repayments in excess of these requirements will be available for additional loans to school districts through the School Bond Loan Fund.

NOTE 10 -- INVESTMENTS

The following table lists face value or original cost, unamortized premium or discount (net), amortized cost, and market value (in millions) of investments other than common cash (See Note #5) held by the listed fund or fund group at September 30, 1984:

	FACE VALUE OR ORIGINAL COST	UNAMORTIZED DISCOUNT	AMORTIZED COST	MARKET VALUE
Special Revenue				
Current Investments				
State Building Authority........................	$ 61.0	$ -	$ 61.0	*
Other Special Revenue...........................	1.9	-	1.9	*
Total Current Investments.......................	63.0	-	63.0	
Noncurrent Investments				
State Lottery Fund..............................	50.2	-	50.2	$ 36.8
State Building Authority........................	123.1	-	123.1	*
Total Noncurrent Investments....................	173.3	-	173.3	
Total Investments...............................	$ 236.3	$ -	$ 236.3	
Debt Service				
Current Investments				
Expressway Bond and Interest Redemption Fund....	$ .1	$ -	$ .1	$ .1
State Park Revenue Bond Fund....................	3.0	(.1)	2.9	2.9
State Building Authority........................	14.0	-	14.0	*
Mackinac Bridge Authority.......................	2.5	-	2.5	2.6
Total Current Investments.......................	19.6	(.1)	19.5	
Noncurrent Investments				
State Park Revenue Bond Fund....................	.4	-	.4	$ .4
State Building Authority........................	53.6	-	53.6	*
Total Noncurrent Investments................ ..	54.0	-	54.0	
Total Investments...............................	$ 73.7	$ (.1)	$ 73.6	

Note 10 continued on next page.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1984

	FACE VALUE OR ORIGINAL COST	UNAMORTIZED DISCOUNT	AMORTIZED COST	MARKET VALUE
Capital Projects				
Current Investments				
Detroit Expressway Construction Fund............	$ 19.2	$ -	$ 19.2	$ 19.2
Total Current Investments......................	19.2	-	19.2	19.2
Total Investments..............................	$ 19.2	$ -	$ 19.2	19.2
Enterprise				
Current Investments				
Michigan State Housing Development Authority....	$ 183.9	$ -	$ 183.9	*
Michigan State Hospital Finance Authority.......	88.0	-	88.0	*
Michigan Higher Education Student Loan Authority	88.5	-	88.5	*
Mackinac Island State Park Commission...........	.9	-	.9	*
Total Current Investments......................	361.5	-	361.5	
Noncurrent Investments				
Michigan State Housing Development Authority....	234.3	(12.4)	221.9	$ 198.4
Michigan State Hospital Finance Authority.......	388.4	(2.0)	386.4	*
Michigan Higher Education Student Loan Authority	8.4	-	8.4	*
Total Noncurrent Investments...................	631.1	(14.4)	616.8	
Total Investments..............................	$ 992.7	$ (14.4)	$ 978.3	
Trust and Agency				
Current Investments				
State Police Pension, Accident, and Disability Fund................................	$ 7.2	$ -	$ 7.2	$ 7.2
State Employees' Retirement Fund................	71.1	-	71.1	71.3
Public School Employees' Retirement Fund........	242.5	-	242.5	243.2
Probate Judges' Retirement Fund.................	.4	-	.4	.4
Judges' Retirement Fund.........................	1.9	-	1.9	1.9
Other Trust Funds...............................	63.5	-	63.5	64.8
Total Current Investments......................	386.6	-	386.6	388.9
Noncurrent Investments				
Legislative Retirement Fund.....................	24.9	(1.5)	23.4	20.6
State Police Pension, Accident, and Disability Fund................................	206.2	(7.5)	198.7	192.9
State Employees' Retirement Fund................	2,057.9	(95.7)	1,962.2	1,896.6
Public School Employees' Retirement Fund........	7,022.6	(355.8)	6,666.8	6,396.9
Probate Judges' Retirement Fund.................	9.9	(.1)	9.8	9.5
Judges' Retirement Fund.........................	52.3	(.9)	51.4	49.3
Other Trust Funds...............................	1,192.9	(16.1)	1,176.8	1,175.6
Total Noncurrent Investments..................	10,566.7	(477.6)	10,089.0	9,741.4
Total Investments.............................	$ 10,953.2	$ (477.6)	$ 10,475.6	$10,130.3
Total All Funds:				
Current Investments............................	$ 850.0	$ -	$ 850.0	
Noncurrent Investments.........................	11,425.1	(491.8)	10,933.1	
	$ 12,275.0	$ (491.8)	$ 11,783.2	

*Market Value approximates cost.

NOTE 11 -- MORTGAGE NOTES AND LOANS RECEIVABLE

Components of mortgage notes and loans receivable (in millions) reported in the enterprise fund group are as follows:

	Mortgages and Loans Receivable (Gross)	Unloaned Bond Proceeds	Unamortized Discount	Allowance for Possible Losses	Mortgages and Loans Receivable (Net)
Michigan State Housing Development Authority..........	$ 1,409.6	$ -	$ -	$ (13.0)	$ 1,396.6
Michigan State Hospital Finance Authority......................	1,245.6	(402.5)	(24.6)	-	818.4
Michigan Higher Education Student Loan Authority.........	182.9	-	-	-	182.9
Michigan Economic Development Authority......................	4.4	-	-	-*	4.4
	$ 2,842.5	$ (402.5)	$ (24.6)	$ (13.0)	$ 2,402.5

The Michigan State Housing Development Authority had loan commitments outstanding at June 30, 1984 of $66.8 million. The Michigan State Hospital Finance Authority unloaned bond proceeds of $402.5 million are committed for either future loans or long-term debt requirements. The Michigan Economic Development Authority had loan commitments outstanding at September 30, 1984 of $16.7 million.

Mortgages are also held by retirement funds ($1.4 billion at book) and these are reflected in long-term investments.

*At September 30, 1984, a loan made by the Michigan Economic Development Authority with an outstanding balance of $2,000,000 was in default of certain covenant provisions. No provision has been made for possible losses.

NOTE 12 -- PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment by fund type on the balance sheet are comprised of the following:

	Internal Service	Enterprise	Total
Land.......................................	$ -	$ 7,126	$ 7,126
Buildings and Equipment....................	55,601	27,008	82,609
Historical Objects........	-	325	325
Construction in Progress...................	-	459	459
Total..................................	55,601	34,919	90,520
Allowance for Depreciation.................	(22,605)	(11,709)	(34,314)
Net Property, Plant, and Equipment.........	$ 32,995	$ 23,210	$ 56,206

NOTE 13 -- RETIREMENT BENEFITS

This footnote provides information related to the following retirement systems and related funds:

State Employees' Retirement System (SERS)
Public School Employees' Retirement System (PSERS)
Judges' Retirement System (JRS)
Probate Judges' Retirement System (PJRS)
State Police Pension, Accident, and Disability Fund (SPPADF)
Legislative Retirement System (LRS)

Note 13 continued on next page.

Generally accepted accounting principles that govern retirement funds reporting and disclosures in the public sector are currently in a state of change. The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards (SFAS) 35 and the National Council on Governmental Accounting (NCGA) has issued Statement 6. Both of these statements provide authoritative guidance on pension accounting and financial reporting for defined benefit public employee retirement systems, and State and local government employer entities. The Governmental Accounting Standards Board (GASB), which is currently reviewing the issues, has said that either statement may be used pending the outcome of their review. The State of Michigan decided to present required disclosures for the Public School Employees' Retirement Fund and the State Employees' Retirement Fund in accordance with NCGA Statement 6, beginning with last year's statement. This year, disclosures for the remaining funds have also been converted to the NCGA Statement 6 requirements, except for the Legislative Retirement Fund for which such data is not yet available.

A. Actuarial Liabilities - SERS and PSERS

Actuarial information for these funds is presented in accordance with NCGA Statement 6 as of September 30, 1983, which is the most recent data available. The significant assumptions used in the actuarial valuations were: (1) a rate of return on the investment of present and future assets of 8% per year compounded annually; (2) projected salary increases of 6.5% per year compounded annually, attributable to inflation; (3) additional projected salary increases of 0.2% to 5.8% per year attributable to seniority and merit for the State Employees' Retirement Fund and 0.1% to 3.5% for the Public School Employees' Retirement Fund; (4) pre- and post-retirement life expectancies of participants based upon the 1971 Group Annuity Mortality Table; and (5) rates of nondeath withdrawal from active service before retirement, rates of disability, and expected retirement ages.

The next table provides information on the State Employees' Retirement Fund. The majority of the contributions, which are reported less health insurance premiums, were provided by the General Fund and the Special Revenue Funds. All figures are in millions.

	September 30, 1983		September 30, 1982	
State Employees' Retirement Fund	Dollar Amount	% of Annual Active Member Payroll	Dollar Amount	% of Annual Active Member Payroll
Actuarial present value of projected benefits payable to:				
Current retirants and beneficiaries.......	$ 625.0	44%	$ 555.6	41%
Terminated vested participants............	15.5	1	14.8	1
Total..................................	$ 640.5	45%	$ 570.4	42%
Actuarial present value of credited projected benefits for active participants:				
Member contributions.....	$ 118.3	9%	$ 122.9	9%
Employer financed portion.................	1,255.8	89	1,121.6	83
Total..................................	$1,374.1	98%	$1,244.5	92%
Total actuarial present value of credited projected benefits........................	$2,014.6	143%	$1,814.9	134%
Net Assets (At Cost) Available for Benefits.	$1,815.7		$1,562.4	
Valuation asset adjustment................	(63.6)		(11.7)	
Valuation Assets...........................	$1,752.1		$1,550.7	
Unfunded actuarial present value of credited projected benefits...............	$ 262.5		$ 264.1	
Contributions - All Sources......	$ 114.0		$ 115.1	

The total actuarial present value of credited projected benefits increased by $199.7 million from September 30, 1982 to September 30, 1983. There were no changes in actuarial assumptions and no material changes in benefit provisions during the year that impact the credited projected benefit calculations.

Note 13 continued on next page.

The next table provides information on the Public School Employees' Retirement Fund. The majority of the contributions, which are reported less health insurance premiums, were provided by the School Aid Fund and employer contributions. All figures are in millions.

	September 30, 1983		September 30, 1982	
Public School Employees' Retirement Fund	Dollar Amount	% of Annual Active Member Payroll	Dollar Amount	% of Annual Active Member Payroll
Actuarial present value of projected benefits payable to:				
Current retirants and beneficiaries.......	$2,189.3	57%	$1,998.4	54%
Terminated vested participants...........	93.8	2	85.8	2
Total.................................	$2,283.1	59%	$2,084.2	56%
Actuarial present value of credited projected benefits for active participants:				
Member contributions......................	$ 691.9	18%	$ 688.0	19%
Employer financed portion................	4,531.0	118	4,166.4	113
Total.................................	$5,222.9	136%	$4,854.4	132%
Total actuarial present value of credited projected benefits.......................	$7,506.0	195%	$6,938.6	188%
Net Assets (At Cost) Available for Benefits.	$6,222.6		$5,330.1	
Valuation asset adjustment................	(187.8)		(11.1)	
Valuation Assets..........................	$6,034.8		$5,319.0	
Unfunded actuarial present value of credited projected benefits..............	$1,471.2		$1,619.6	
Contributions - School Aid Fund............	$ 214.2		$ 205.8	
Contributions - Employer Contribution.......	$ 223.9		$ 207.9	

The total actuarial present value of credited projected benefits increased by $567.4 million from September 30, 1982 to September 30, 1983. There were no changes in actuarial assumptions and no material changes in benefit provisions during the year that impact the credited projected benefit calculations.

B. Actuarial Liabilities - JRS, PJRS, and SPPADF

Actuarial information for these funds was disclosed using FASB Statement 35 last year and this year they are being presented using NCGA Statement 6. The most recent data available is as of September 30, 1983. The effect of this change on the actuarial liabilities is as follows (in millions):

	JRS		PJRS		SPPADF	
	9/30/83	9/30/82	9/30/83	9/30/82	9/30/83	9/30/82
Actuarial Present Value of Credited Benefits (NCGA 6).......	$ 67.6	$ 53.5	$ 13.4	$ 12.1	$287.5	*
Actuarial Present Value of Accumulated Plan Benefits (FASB 35)....	57.8	43.6	10.5	9.0	209.7	*
Increase in Actuarial Present Value of Liabilities.............	$ 9.8	$ 9.9	$ 2.9	$ 3.1	$ 77.8	*

*9/30/82 data not available for SPPADF.

Note 13 continued on next page.

The significant actuarial assumptions used for these retirement systems were: (1) rates of return of 8% for JRS and PJRS and 8.5% for SPPADF; (2) projected inflationary salary increases of 6.5% for JRS and PJRS and 7.0% for SPPADF; (3) additional projected seniority and merit increases of 0.5% for JRS and PJRS.

The next table provides information on these three funds using NCGA Statement 6 methods, as of September 30, 1983 (in millions):

	JRS	PJRS	SPPADF
Actuarial present value of projected benefits payable to:			
Current retirants and beneficiaries	$ 24.8	$ 5.7	$ 95.3
Terminated vested participants	1.8	.2	1.7
Total	$ 26.6	$ 5.9	$ 97.0
Actuarial present value of credited projected benefits for active participants:			
Member contributions	$ 7.1	$ 1.1	$ *
Employer financed portion	33.8	6.4	*
Total	$ 40.9	$ 7.5	$190.5
Total actuarial present value of credited projected benefits	$ 67.6	$ 13.4	$287.5
Valuation Assets (cost less valuation adjustment)	47.1	9.4	178.4
Unfunded actuarial present value of credited projected benefits	$ 20.4	$ 4.0	$109.1

For the JRS, the total actuarial present value of credited projected benefits increased by $14.1 million from September 30, 1982 to September 30, 1983. Of this increase approximately $6.5 million was attributable to changes in benefit provisions. There were no changes in actuarial assumptions during the year.

For the PJRS, the total actuarial present value of credited projected benefits increased by $1.2 million from September 30, 1982 to September 30, 1983. There were no plan amendments or changes in actuarial assumptions during the year.

For the SPPADF, the actuarial present value of credited projected benefits as of September 30, 1982, has not been determined, therefore, the amount of change is not known. Actuarial assumptions and plan benefit provisions were unchanged from the prior years except that the assumed rate of return on investments was changed from 8.0% to 8.5% and the rate of salary increase was changed from 6.5% to 7.0%.

The majority of the contributions to these funds are from the State's General Fund.

C. Actuarial Liabilities - LRS

The actuarial information for the Legislative Retirement System (LRS) has not yet been evaluated using NCGA Statement 6 methods and the following data is presented in accord with FASB Statement 35. The most recent data available is as of September 30, 1983 and the following assumptions were used: (1) future salary increases are not considered; (2) a graded assumed rate of return on investment ranging from 13.7% to 6.0% is used. The following data is presented in millions:

Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	$13.2
Other participants	10.5
Total vested benefits	$23.7
Nonvested benefits	2.1
Total Actuarial Present Value of Accumulated Plan Benefits	$25.8
Valuation Assets	$31.4

Note 13 continued on next page.

D. Contributions - All Funds

Generally accepted accounting principles (GAAP) require that a calculation be made to determine the minimum amount that must be recognized in a given year as a liability of the contributing funds. The assumptions and methods used in calculating the minimum GAAP liability are not all the same as the statutorially established funding methods used to determine actual contributions.

Statutory Requirements: Minimum contributions for all funds must equal the sum of normal cost (individual entry age normal cost method), plus a level percent of payroll amortization of unfunded actuarial accrued liabilities. The 1983-84 statutory amortization periods are: SERS, and LRS - 50 years and JRS, PJRS, and SPPADF - 40 years. The PSERS statute requires that contributions equal at least the "unfunded portion of the pension payout" which was equivalent to a 17 year amortization in 1983-84.

For purposes of computing statutory employer contributions, the following assumed rates of return were used: (1) SERS, PSERS, JRS, and PJRS - 8.0%, (2) SPPADF - 8.5% (up from 8.0% for 1982-83), and (3) LRS - 6.0%. Salary assumptions used were the same as previously discussed for the various funds actuarial liabilities calculations, except that LRS assumes a 4.5% salary increase assumption.

Except for the LRS, the statutes provide for an annual reconciliation process to ensure that contributions to the retirement funds are in accordance with the actuarially computed contributions. Contribution shortfalls or overages in a given fiscal year will be corrected by special contribution rate adjustments in the second succeeding fiscal year. The reconciliation amounts for the 1983-84 year are not yet available.

If the earnings on retirement assets exceed a computed standard, Public Acts 256 and 253 of 1982 require that the State Employees' and Public School Employees' Retirement Funds make an additional distribution to retirees and retirement allowance beneficiaries on record at the end of each fiscal year. The existence and amount of the liability in each fund is determined by multiplying the present value of allowances and benefits to be paid after the end of the previous fiscal year times the current year's earnings on assets that exceed an 8% return. The September 30, 1984 liability in SERS is $9.6 million and in PSERS is $18.8 million.

Minimum Contributions - GAAP: The following table compares computed (GAAP) contributions to actual contributions for the 1983-84 year, using NCGA Statement 6 methods. Contributions for health benefits are excluded from the table, which is presented in millions:

System	Computed Contribution Rate	1983-84 Actual Payroll	1983-84 Employer Dollar Contributions	
			Computed	Actual
SERS	9.77%	$1,429.1	$139.6	$139.7
PSERS	11.35	3,968.2	450.4	450.0
JRS	19.34	24.0	4.7	4.6
PJRS	14.31	4.2	.6	.7

The SPPADF actual contributions were $15.7 million compared to a computed minimum requirement of $13.9 million. The data for the LRS for fiscal year 1983-84 is not available, but no deficiencies are expected.

E. Health Insurance Benefits for Retirees

All of the employees of the above retirement systems are entitled to health insurance benefits. Future liabilities related to these benefits have not been accrued, estimated, or funded, as funding is provided on a "pay as you go basis" primarily by the General and School Aid Funds. Payments made for these programs in the State Employees' and Public School Employees' Retirement Funds totaled $26.0 and $42.8 million, respectively, in 1983-8[illegible]. The coverage for State employees is provided through the State's self-insurance fund, which is described in Note #26.

NOTE 14 -- EARLY RETIREMENT PLAN

PA. 3 of 1984 provided for an early retirement incentive program that was available to approximately 3,800 eligible employees. To qualify, an employee's age plus service credits must have equalled at least 80 years on the date of retirement and the employee must have attained the age of 50. This program was available from June 2 through September 30, 1984 and 1,964 employees retired under the program.

In addition to the basic monthly retirement benefits for which the "80 and out" retirees are eligible, they receive a monthly pension supplement ranging from $240 to $360 until age 62. Accumulated sick leave balances, which are normally paid in a lump sum at retirement, are being spread in equal installments over 60 months. Annual leave balances were paid in lump sums at retirement in the normal manner.

Payments to early retirees are made through the State Employees' Retirement Fund. The fund is, in turn, reimbursed by the General, State Trunkline, and Michigan Employment Security Act-Administration funds for supplemental benefit and sick leave payments and the retirees' basic benefits through age 60.

The departments will use transfers from salary and fringe benefit accounts or other available authorizations to provide funding for replacement of retirees and payment of basic retirement and supplemental benefits for fiscal years 1983-84 and 1984-85. Unused authorizations from 1983-84 have been carried forward in special fund balance reserves. Beginning with the 1985-86 fiscal year these authorizations will have been depleted and legislative appropriations will be required to fund the remainder of the program.

The effect this plan will have on actuarial pension liabilities has not been estimated. However, because basic retirement benefits through age 60 will be paid by other funds, some unknown amount of actuarial gain (from the Retirement Fund's perspective) is anticipated.

The present value of future benefits to be paid under this plan, including basic benefits through age 60, is recorded in the State's General Long-term Obligations Account Group using a discount rate of 8%. Fund expenditures, along with the related liabilities are recognized as payments become due.

The following provides selected information regarding the impact of the program (in thousands):

	Gross Liability	Present Value
General long-term obligations:		
Sick leave payoffs	$ 13,658	$ 11,368
Supplemental benefits	39,089	30,225
Basic benefits through 60	69,393	55,918
Total	$ 122,140	$ 97,511
Payments required by fiscal year:		
1984-85	$ 25,380	$ 24,404
1985-86	22,984	20,433
1986-87	19,976	16,419
1987-88	17,141	13,026
1988-89	13,660	9,597
1989-1996	22,999	13,632
Total	$ 122,140	$ 97,511

Expenditures incurred in 1983-84 (excludes annual leave):	
General Fund	$ 3,373
Special Revenue Funds	1,029
Total	$ 4,403
Fund balances reserved for position replacement and benefit payments:	
General Fund	$ 3,928
Special Revenue Funds	953
Total	$ 4,881

NOTE 15 -- COMPENSATED ABSENCES

The State has accrued liabilities for compensated absences as required by NCGA Statement 4. Liabilities related to proprietary fund types are recorded in the funds. Liabilities related to governmental fund types are recorded in the General Long-Term Obligations account group, unless the liability is "due and payable" (i.e., liabilities are recognized in the year the employee leaves State service) at year-end. The amount "due and payable," which has not been determined, is reflected in the "Accounts payable and other liabilities" line. As more fully explained in Note #4, this is a change from last year when governmental fund liabilities were recognized in the amount estimated to be paid within 12 months.

Employees receive a 100% termination payment of unused annual leave (vacation time) upon separation based upon the employee's final rate of pay. The amount of leave earned and the maximum amount employees can accumulate varies with seniority, generally ranging between 240 and 300 hours.

Sick leave is valued at 0 to 50% of unused balances depending on each employee's date of hire, leave balance, and age. Full time employees earn 4 hours every 2 weeks and there is no restriction on the amount which can be accumulated. In accordance with Civil Service Commission rules, cash payments for accumulated sick leave balances are made only to employees hired prior to October 1, 1980. Employees hired subsequent to this date are not eligible to receive these payments. The cash payments at time of retirement or death are based on 50% of the employee's sick leave accumulation times their last rate of pay. When separating from the State service for any reason other than retirement or death, eligible employees are paid a percentage of their unused sick leave at their last rate of pay in accordance with a graduated rate table which increases from 0 to 50% depending upon the balance of their sick leave hours.

The following table summarizes the recording of compensated absences liabilities as of September 30, 1984 (in thousands):

FUND GROUP	ANNUAL	SICK	TOTAL
Enterprise................................	$ 1,298	$ 2,182	$ 3,480
Internal Service..........................	799	857	1,656
General Long-Term Obligations............	125,706	141,171	266,877
	$127,803	$144,210	$272,013

NOTE 16 -- GENERAL LONG-TERM OBLIGATIONS

General Obligation Debt - Article 9, Section 15 of the 1963 State Constitution authorizes long-term borrowing, subject to approval by a majority of the electorate voting thereon at a general election.

Additional debt may be incurred, without voter approval, for the purpose of providing loans to school districts. Loan repayments are the primary funding source for debt service requirements.

Issuance of general obligation debt is subject to legislative approval, and once approved is backed by the full faith and credit of the State. General Fund appropriations are made to finance debt principal and interest requirements for all general obligation issues except School Loan Bonds, where only the excess of requirements over loan repayments is provided.

Revenue Dedicated Debt

Oversight Entity - Long-term bonds have been issued periodically for specific purposes, with the stipulation that financing of debt requirements is to come strictly from designated revenue sources. The State's general credit does not support such issues.

State Authorities - Governmental - Revenue bonds have been issued by certain of the governmental authorities for construction of the Mackinac Bridge and to acquire and/or construct various facilities for use by the State or institutions of higher education. These bonds are obligations of the authorities and do not constitute direct general obligations of the State. The debt requirements of the Mackinac Bridge Authority (MBA) bonds are financed through authority revenues and an annual transfer from the Michigan Transportation Fund. The debt requirements of the State Building Authority bonds are financed through General Fund appropriations, excess bond proceeds, and investment earnings.

Note 16 continued on next page.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1984

See Note #18 for disclosures regarding the long-term debts of the enterprise funds.

General Obligation and Revenue Dedicated Bonds issued and outstanding at September 30, 1984 (expressed in thousands) are as follows:

	AMOUNTS ISSUED	OUTSTANDING 9/30/84	MATURITIES		AVERAGE INTEREST RATE PERCENTAGE
			FIRST YEAR	LAST YEAR	
GENERAL OBLIGATION DEBT					
School Loan Bonds Series I-III..................	$ 97,500	$ 9,500	1973	1985	4.77
School Loan Bonds Series IV.....................	20,000	11,800	1980	1989	4.60
School Loan Bonds Series V......................	14,000	14,000	1986	1989	9.83
Water Pollution Series II.......................	15,000	6,000	1980	1990	5.99
Water Pollution Series III......................	50,000	33,000	1979	1999	4.43
Water Pollution Series IV.......................	80,000	30,000	1973	1999	4.34
Water Pollution Series V........................	7,000	7,000	1986	1988	4.07
Water Pollution Series VI.......................	70,000	25,000	1974	1998	4.56
Water Pollution Series VII......................	50,000	21,000	1975	1993	4.34
Public Recreation Series III....................	33,000	5,000	1974	1986	4.07
Public Recreation Series V......................	11,000	5,000	1979	1989	4.60
Vietnam Veteran Bonus Series I-III..............	190,000	92,000	1976	1989	5.23
TOTAL GENERAL OBLIGATION DEBT................	637,500	259,300			
REVENUE DEDICATED DEBT					
Oversight Entity:					
State Park Revenue Bonds Series I-VIII..........	19,100	10,795	1963	1996	5.78
Tax Dedicated Bonds:					
Michigan Trunkline Construction Series II-IX..	255,000	30,490	1961	1987	3.79
Michigan Comprehensive Transportation Series A	106,250	99,550	1980	2009	8.09
Michigan Comprehensive Transportation Series B	50,000	48,200	1982	2011	11.65
Michigan Comprehensive Transportation Series 1984................................	60,000	60,000	1985	2014	9.62
State Trunkline Fund Bonds Series 1983........	135,000	135,000	1985	1999	9.65
State Trunkline Fund Bonds Series 1984........	50,000	50,000	1985	1999	9.53
	656,250	423,240			
Joint Effort Tax Dedicated Bonds Grand Rapids--1960 Issue......................	18,000	1,010	1961	1985	4.12
TOTAL REVENUE DEDICATED DEBT - OVERSIGHT ENTITY...........................	693,350	435,045			
State Financing Authorities - Governmental Types:					
State Building Authority					
1979 Revenue Bonds - Series I.................	89,450	81,075	1982	1999	6.36
1982 Revenue Bonds - Series I.................	101,415	98,280	1983	2002	12.24
1982 Revenue Bonds - Series II................	21,085	20,265	1983	1995	8.46
1982 Revenue Bonds - Series III...............	237,945	237,945	1987	2012	10.71
1984 Revenue Bonds - Series I.................	104,910	104,910	1987	2001	9.38
	554,805	542,475			
Mackinac Bridge Authority (MBA) Revenue Bonds Series B........................	20,000	9,780	1994	1994	5.25
TOTAL REVENUE DEDICATED DEBT - STATE AUTHORITIES - GOVERNMENTAL.................	574,805	552,255			
TOTAL REVENUE DEDICATED DEBT.................	1,268,155	987,300			
GRAND TOTAL..................................	$ 1,905,655	$ 1,246,600			

Note 16 continued on next page.

Unemployment Compensation Borrowing Interest Liability - Details regarding this liability are provided in Note #17.

Compensation Liabilities - Civil Service Commission rules provide for the accumulation of annual leave and sick leave benefits. The long-term portions of these liabilities related to governmental fund types are included in general long-term obligations.

Judgments - In 1976 the United States Supreme Court directed that the Detroit Board of Education institute various comprehensive programs with the cost to be shared equally with the State. The State's financial responsibility will terminate in the 1987-88 fiscal year. The State's cummulative share of the specified costs, after September 30, 1984, totals $17.7 million, with annual payments of $4.9 million in fiscal year 1984-85 declining to $4.0 million in fiscal year 1987-88. Additional unspecified amounts for a monitoring commission, attorney fees, and an inflationary adjustment factor may arise annually through fiscal year 1987-88, but should be nominal in amount.

Workers' Compensation - The State does not purchase workers' disability compensation insurance coverage for State employees. Rather, the State is billed by the State Accident Fund for actual benefits paid plus an administrative charge. Billings for fiscal year 1983-84 amounted to $18.7 million. The State Accident Fund estimates that future payments on reported claims will total $55.9 million. The general long-term obligations account group includes a liability of $40.9 million as the estimated present value of these claims. None of the long-term liability has been allocated to the proprietary fund types because fund allocation is not considered measurable and the unrecorded amounts are not significant to the individual funds. Incurred but unreported claims have not been recorded as liabilities because they cannot be reasonably estimated. As more fully explained in Note #4, this general long-term obligation was not recorded in prior year statements.

Early Retirement Benefits - The State's special early retirement program is described in Note #14.

Unrecorded Limited Obligation Debt - The Michigan Job Development Authority (MJDA) issues limited obligation bonds to finance loans to business enterprises in Michigan. The Michigan Higher Education Facilities Authority (MHEFA) issues limited obligation bonds to finance loans to public or private institutions of higher education within the State of Michigan for capital improvements. A separate bond issue is made for each loan. The authorities are liable for the repayment of the bonds only from loan repayments received or any secured interest in the facilities, equipment, or furnishings, as provided under the various loan agreements. All loan repayments are made directly to the bondholders' trustees by the companies or colleges.

Because of the limited liability of the authorities, bonds in the amount of $314.7 million and $9.6 million of the MJDA and MHEFA, respectively, have not been included in the General Long-Term Obligations account group as of September 30, 1984. Comparable amounts as of September 30, 1983 were $188.7 million and $5.8 million for the MJDA and MHEFA, respectively.

The Michigan Family Farm Development Authority (MFFDA) issues bonds under provisions similar to those described for the MJDA and the MHEFA. At September 30, 1984, bonds had been issued by the MFFDA totaling $3.3 million, of which $3.2 million was outstanding. No bonds had been issued as of October 1, 1983.

Note 16 continued on next page.

Changes in general long-term obligations (in thousands) for the year ended September 30, 1984 are summarized as follows:

	GENERAL OBLIGATION DEBT	REVENUE DEDICATED DEBT - OVERSIGHT ENTITY	REVENUE DEDICATED DEBT - STATE AUTHORITIES GOVERNMENTAL	UNEMPLOYMENT COMPENSATION BORROWING INTEREST LIABILITY
Bonds and Unemployment Interest Debt:				
Balance October 1, 1983 (MBA - July 1)..	$ 309,300	$ 349,810	$ 459,501	$ 38,110
New bond issues/additional borrowing..	-	110,000	104,910	52,480
Bond principal retirements/payments...	(50,000)	(24,765)	(12,156)	(35,903)
Cumulative effect of accounting change	-	-	-	25,407
Balance September 30, 1984 (MBA - June 30)....................	$ 259,300	$ 435,045	$ 552,255	$ 80,094

	COMPENSATION LIABILITIES	JUDGMENTS	WORKERS' COMPENSATION	EARLY RETIREMENT BENEFITS
Other obligations:				
Balance October 1, 1983.................	$ 237,402	$ 22,942	$ 38,400*	$ -0-
Net increase in estimated liabilities.	16,748	-	2,500	97,511
Elimination of portion of judgment attributed to fiscal year 1983-84...	-	(5,218)	-	-
Cumulative effect of accounting change	12,727	-	-	-
Balance September 30, 1984.........	$ 266,877	$ 17,725	$ 40,900	$ 97,511

*As restated for accounting changes.

NOTE 17 -- UNEMPLOYMENT COMPENSATION DEBT

As of September 30, 1983, the Michigan Unemployment Compensation Fund (MUCF), which is not reported on in these financial statements, had a liability to the federal government of $2.3 billion for amounts borrowed to pay unemployment compensation. Of this amount $741.3 million was interest bearing. As of September 30, 1984, the debt had been reduced to $1.7 billion of which $237.2 million is interest bearing. If the MUCF was included in these statements, this liability would be included in the general long-term obligation account group.

The liability above does not include accrued interest totaling $80.1 million which is recorded in the general long-term obligations account group. The rate of interest on the interest bearing portion of the debt varies depending on several factors; the current rate is 8.78%. The federal government has allowed the State to defer payment of interest, according to the following schedule (in thousands):

Due Date	Amount
9/27/85	$23,199
9/29/86	23,199
9/29/87	23,199
9/29/88	10,496
	$80,093

The debt principal is being repaid to the federal government by the employers in the State of Michigan through the unemployment tax, which is revenue of the unreported MUCF fund. In addition, a surcharge, known as the solvency tax, has been imposed on certain employers in the State of Michigan for the specific purpose of payment of the interest. The solvency tax collections are deposited into the Michigan Employment Security Act Contingency Fund, a trust fund reported on in these financial statements. In the event that solvency tax collections are not sufficient, the State of Michigan has guaranteed payment of the interest.

The fiscal year-end balances (in millions), as restated for the accounting change explained in Note #4, in the contingency fund were: taxes receivable $38.3; cash and other assets $22.8; deferred revenues $33.4; fund balance $27.7. The deferred revenues at September 30, 1984 resulted from employers electing to spread their incurred tax liability over a period of four years, with equal installments due in April of each year. Employers were provided this option by Public Act 247 of 1983.

NOTE 18 -- BONDS AND NOTES PAYABLE, ENTERPRISE FUND GROUP

Bonds and Notes payable reported in the enterprise fund group are as follows:

	Amounts (in millions)	
	Bonds	Notes
Michigan State Housing Development Authority (MSHDA)		
Revenue bonds - Effective interest rates ranging from 5.74% to 13.99%, due in varying amounts of principal and interest through 2023	$1,613.3	$ -
Michigan State Hospital Finance Authority (MSHFA)		
Revenue bonds - Average interest rates ranging from 5.74% to 15.89%, due in varying amounts of principal and interest through 2015	1,310.6	-
Michigan Higher Education Student Loan Authority (MHESLA)		
Revenue notes - Stated interest rates ranging from 9.50% to 9.75%, due in varying amounts of principal in 1985 through 1986, interest due semiannually	-	107.0
Revenue bonds - Stated interest rates ranging from 7.75% to 8.25%, due in varying amounts of principal in 1985, 1986, and 1988 interest payable semiannually	145.0	-
Michigan Economic Development Authority (MEDA)		
Revenue bonds - Average interest rate of 10.73%, due in varying amounts of principal and interest through 1994	34.0	-
Mackinac Island State Park Commission (MISPC)		
Revenue bonds - Average interest rate of 13.72%, due in varying amounts of principal and interest through 1997	.4	-
Total Bonds and Notes Payable	$3,103.6	$107.0

The bonds and notes payable are legal obligations of the authorities and are not general obligations of the State. The MSHDA, MHESLA, and MISPC debts are general obligations of the authorities. The MSHFA and MEDA bonds are limited obligations and are generally repayable solely from loan repayments received, investment earnings, bond proceeds retained (MSHFA), and distributions from the Heritage Trust Fund (MEDA).

Principal maturities (in thousands) for the next five years are as follows:

	MSHDA	MSHFA	MHESLA	MEDA	MISPC	Total Principal Requirements Proprietary Authorities
1985	$23,825	$34,721	$ 57,000	$5,505	$25	$ 121,076
1986	29,640	37,147	170,000	3,980	25	240,792
1987	32,670	42,727	-	3,090	25	78,512
1988	34,315	36,794	-	2,550	25	73,684
1989	35,850	34,859	25,000	2,160	25	97,894

NOTE 19 -- LEASES

The National Council on Governmental Accounting issued Statement 5 which, beginning with this fiscal year, requires liabilities related to capitalizable leases to be recorded and expenditures and "other financing sources" to be recognized in the year of lease inception. The State does not currently have a system to evaluate its leases and the effect on the statements and schedules cannot be determined at this time. Also, the leases have not been analyzed to determine whether they would more appropriately be classified as "operating" or "capital" leases. A project is currently underway to address these accounting needs.

Note 19 continued on next page.

The State leases land, buildings, and equipment under agreements which have varied terms. Most have cancellation clauses with 1 - 6 month notice requirements. The majority have renewal clauses, and those which aren't renewed are normally replaced with similar leases. Rental expenditures incurred under these leases (excluding an undetermined amount of capital leases for equipment) amounted to approximately $57 million in 1982-83 and $60 million in 1983-84. Of the 1983-84 amount, the majority ($51 million) occurred in the General Fund.

NOTE 20 -- INTERFUND RECEIVABLES AND PAYABLES

Significant interfund receivables and payables are listed by individual fund. Others are shown in total for the fund type. On the balance sheet these balances are presented as "amounts due from other funds" and "amounts due to other funds."

GOVERNMENTAL FUND TYPES	INTERFUND RECEIVABLES (In Thousands)	INTERFUND PAYABLES (In Thousands)
General Fund	$ 7,159	$ 59,078
Special Revenue Funds:		
State Trunkline Fund	23,136	2,168
Michigan Transportation Fund	2,644	24,032
Comprehensive Transportation Fund	5,992	86
School Aid Fund	16,124	-
State Building Authority	-	5,293
Michigan Veterans' Benefit (Trust) Fund	3,034	-
Other Special Revenue Funds	6,181	1,255
	57,113	32,837
Debt Service Funds	1,724	2,252
Capital Projects Funds	-	1
PROPRIETARY FUND TYPES		
Enterprise Funds	107	120
Internal Service Funds	1,426	93
FIDUCIARY FUND TYPES		
Trust and Agency Funds:		
State Employees' Retirement Fund	12,120	-
Public School Employees' Retirement Fund	2,107	-
Special Assessment Deferment Fund	-	2,596
Contribution Fund (Social Security)	11,175	-
Other Trust and Agency Funds	7,369	3,324
	32,772	5,920
Total All Funds	$100,304	$100,304

NOTE 21 -- ADVANCES FROM THE MICHIGAN VETERANS' BENEFIT (TRUST) FUND

The Michigan Veterans' Benefit (Trust) Fund, a special revenue fund, has made long-term advances to the General Fund totaling $49.8 million. These advances were made in accordance with Public Act 119 of 1976 and Public Act 364 of 1980. The acts include provisions for annual repayments and reimbursement of lost interest. Through September 30, 1984, $15.0 million of the advances had been repaid, including $4.4 million in 1983-84. The balance of the advances ($34.8 million) is not recorded as an asset of the special revenue fund or a liability of the General Fund because of its long-term and budgetary nature.

NOTE 22 -- TRANSFER FROM ESCHEATS FUND

The Escheats Fund provides for an accounting of property, tangible or intangible, which becomes subject to escheat when the owner dies intestate; disappears, or is missing from his last known place of residence for a continuous period of seven years or more, leaving no known heirs-at-law or abandons property for a period of seven years. During 1982-83, $20 million was transferred, prior to escheat, to the General Fund from the Escheats Fund per P.A. 96 of 1983. However, this transfer did not restrict, impair, or abrogate the right of redemption provided by the escheat laws. Such future claims are anticipated to be made from the Escheats Fund's remaining balance.

During 1983-84, transfers from the Escheats Fund to the General Fund were eliminated, except for those related to administrative costs incurred in the General Fund, so that the Escheats Fund could be replenished. Normal transfer of escheat revenue is expected to resume in 1984-85.

As explained in Note #4, the Escheats Fund was reclassified from an agency fund to a trust fund as of October 1, 1982.

NOTE 23 -- RETAINED EARNINGS DESIGNATIONS

Certain amounts of retained earnings for component units reported in the enterprise fund group are designated for specified purposes. Generally, these designations are required by the applicable bond agreements. The amounts (in millions), by unit, as of the fiscal year-end are as follows:

	1984	1983
Michigan State Housing Development Authority..........	$ 89.2	$ 80.3
Michigan State Higher Education Student Loan Authority	28.6	25.8
Michigan State Economic Development Authority.........	6.7	6.7
Mackinac Island State Park Commission.................	4.3	4.3
Total..	$128.8	$117.1

NOTE 24 -- RESERVED FUND BALANCES

"Reserved fund balance" on the balance sheet at September 30, 1984 consist of the following (in millions):

Reserved Fund Balances	General Fund	Special Revenue Funds
Encumbrances..	$ 82,607	$148,677
Unencumbered restricted revenues....................	127,709	69,421
Unencumbered capital outlay and future construction..	-	90,384
Unencumbered work projects..........................	53,963	189
Local government payments (Note #3).................	17,637	-
Early retirement funding (Note #14).................	3,928	953
Amounts held in a trust capacity....................	-	19,579
Future construction projects and debt service........	-	170,256
Noncurrent assets...................................	20,325	115,585
Other...	-	10,473
Total Reserved Fund Balances....................	$ 306,170	$ 625,517

Fund balance has not been reserved for $36.6 million of unreserved capital outlay carry-overs in the General Fund. These carry-overs are currently considered to be commitments of future year revenues, rather than being fully funded from available resources.

As more fully explained in Note #3, additional reserves to fund elimination of departures from generally accepted accounting principles are recorded on the statutory/budgetary basis. Also, as more fully explained in Note #4, unencumbered work projects were not reserved in the General Fund in the prior fiscal year.

NOTE 25 -- SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Oversight Entity Funds - The State operates three enterprise funds. The Liquor Purchase Revolving Fund accounts for the State's activities in the distribution of liquor at the wholesale and retail levels. The fund is also used to account for certain liquor taxes that generate revenue for other State activities. Statutorily defined free-cash balances of the fund are transferred to the General Fund. The Michigan State Fair Revolving Fund records the results of the annual State Fair and periodic rental of fairground facilities. The General Fund provides periodic transfers by way of improvement of facilities as well as making up any free-cash deficit. The Department of Natural Resources Magazine Fund accounts for the production and sale of various publications.

Segment information for the fiscal year ended September 30, 1984 (in thousands) was as follows:

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	SUBTOTAL OVERSIGHT ENTITY
Operating Revenues	$ 408,515	$ 2,773	$ 1,649	$ 412,937
Depreciation	398	436	29	864
Operating Income (Loss)	54,322	(1,655)	(17)	52,648
Tax Revenues	7,084	-	-	7,084
Operating Transfers:				
In:				
Statutory Free-Cash Transfer	-	1,191	-	1,191
Contributed Fixed Assets	-	929	-	929
Other Transfers	-	128	4	132
Operating Transfers In	-	2,248	4	2,252
Out:				
Statutory Free-Cash Transfer	(20,190)	-	-	(20,190)
Administrative General Fund Costs	(1,685)	(48)	(34)	(1,768)
Operating Transfers Out	(21,875)	(48)	(34)	(21,958)
Net Income (Loss)	36,004	455	(19)	36,439
Property, Plant, and Equipment	5,282	14,512	81	19,876
Net Working Capital	38,993	1	(321)	38,673
Total Assets	64,894	15,563	933	81,392
Long-term Liabilities	3,100	105	21	3,227
Total Equity (Deficit)	41,175	14,408	(261)	55,322

Component Units - The enterprise fund type includes the following State financing authorities (and commission): the Michigan State Housing Development Authority (MSHDA), Michigan State Hospital Finance Authority (MSHFA), Michigan Higher Education Student Loan Authority (MHESLA), Michigan Economic Development Authority (MEDA), and the Mackinac Island State Park Commission (MISPC).

The four authorities issue long-term debt to finance loans for the construction of multifamily and single family housing and home improvements (MSHDA), for capital improvements and equipment acquisition at nonprofit hospitals (MSHFA), for tuition to qualified students attending participating institutions of higher education (MHESLA), and for issuing loans and grants to private enterprise to foster economic expansion (MEDA). The long-term debt of these authorities is financed mainly from loan repayments and investment income. The long-term debt of the MEDA is also financed, in part, from gas and oil revenues.

The MISPC accounts for the operation of the Mackinac Island State Park. The majority of its costs are financed through admission fees, although it does receive a partial subsidy in the form of a General Fund appropriation determined annually by the Legislature.

Note 25 continued on next page.

Segment information for component units included in the enterprise fund for the fiscal years ended in 1984 (in thousands) is as follows:

	MSHFA June 30	MHESLA June 30	MISPC September 30	MEDA September 30	MSHDA September 30	Subtotal Component Units
Operating Revenues......	$ 107,245	$ 31,785	$ 1,359	$ 7,260	$ 162,714	$ 310,364
Depreciation and Amortization Expense..	-	1,737	146	-	186	2,069
Operating Income (Loss).	72	1,772	(1,028)	2,489	13,008	16,313
Oil and Gas Mineral Revenue (Nonoperating)	-	-	-	14,000	-	14,000
Operating Transfers:						
In (subsidies)........	-	-	926	-	-	926
Out (indirect or overhead costs).....	-	-	-	(111)	(581)	(692)
Net Income (Loss).......	72	1,772	(1)	12,378	12,427	26,648
Property, Plant, and Equipment.............	-	-	3,334	-	-	3,334
Net Working Capital.....	46,771	39,029	1,446	60,444	50,328	198,019
Mortgage Notes and Loans Receivable (Net)......	818,488	182,925	-	4,469	1,396,665	2,402,547
Total Assets............	1,339,374	297,518	4,832	70,813	1,837,548	3,550,087
Bonds and Other Long-Term Liabilities.	1,249,911	195,000	455	28,580	1,568,838	3,042,784
Total Equity............	1,799	37,787	4,325	36,333	102,814	183,060

The following table demonstrates the relative shares of oversight entity funds and component units:

	OVERSIGHT ENTITY FUNDS	COMPONENT UNITS	TOTAL ENTERPRISE FUNDS
Operating Revenues..	$ 412,937	$ 310,364	$ 723,302
Depreciation and Amortization Expense.......................	864	2,069	2,934
Operating Income (Loss).....................................	52,648	16,313	68,961
Oil and Gas Mineral Revenue (Nonoperating)..................	-	14,000	14,000
Tax Revenues..	7,084	-	7,084
Operating Transfers:			
In..	2,252	926	3,179
Out...	(21,958)	(692)	(22,651)
Net Income (Loss)...	36,439	26,648	63,088
Property, Plant, and Equipment..............................	19,876	3,334	23,210
Net Working Capital...	38,673	198,019	236,693
Mortgate Notes and Loans Receivable (Net)...................	-	2,402,547	2,402,547
Total Assets..	81,392	3,550,087	3,631,479
Bonds and Other Long-Term Liabilities.......................	3,227	3,042,784	3,046,011
Total Equity..	55,322	183,060	238,383

NOTE 26 -- STATE SPONSORED GROUP INSURANCE: BY INSURANCE PROGRAM

Over a period of years, the State has increasingly used self insurance, rather than purchased insurance, for the provision of insurance benefits to its employees. In 1981-82, the State Sponsored Group Insurance Fund, an internal service fund, was created to account for employee insurance benefit programs. The State continues to contract with outside insurers for most claims processing; however, the State has assumed much of the insurance risks for several of the programs.

Note 26 continued on next page.

For those programs where the State continues to purchase full coverage (e.g., health maintenance organizations), premiums are recorded as expenses. For self-insured (vision and dental) and partially self-insured (most health coverage, long-term disability, and life) benefit programs, the State recognizes revenues, expenses, and liabilities (insurance "reserves") in accordance with accounting principles applicable to insurance accounting in the private sector. This results in the recognition of unearned premiums, rather than retained earnings, when a program's assets exceed its liabilities.

Beginning with this fiscal year, the operations of the health program's health screening unit are also accounted for in this fund. Formerly, this program was accounted for in the "State Employees' Health Maintenance Fund," a trust fund. This change resulted in the equity transfer shown in the table below.

Claims which have been incurred but not reported for processing at year-end have been recorded at an estimated amount of $51.8 million. These liabilities are of short-term duration except for $7.3 million related to the long-term disability program which is recorded at an actuarially determined present value.

The Department of Civil Service intends that the various component programs of the fund be self-supporting in the long run. Individual programs may incur deficits during a given year, but each program's surplus or deficit is considered in calculating future charges or benefit levels.

Selected financial information for the plans for the fiscal year ending September 30, 1984 are shown below (in thousands):

	INSURANCE PROGRAM					
	Health	Life	Long-Term Disability	Dental	Vision	Total
Retained Earnings (Deficit) - October 1, 1983	$ (3,071)	$ 650	$ (399)	$(2,316)	$ (319)	$ (5,455)
Operating Revenues	156,235	10,186	25,731	22,249	3,432	217,835
Operating Expenses and Transfers Out	153,040	10,837	18,784	19,932	3,704	206,299
Net Income (Loss)	3,194	(650)	6,947	2,316	(271)	11,535
Equity Transfer In	122	-	-	-	-	122
Retained Earnings (Deficit) - September 30, 1984	$ 244	$ -0-	$ 6,548	$ -0-	$ (591)	$ 6,201
Unearned Premiums Received From Other Funds	$ 11,639	$ 2,231	$ 3,614	$ 296	$ -0-	$ 17,781

NOTE 27 -- CONTINGENCIES AND COMMITMENTS

Litigation -- The State is a party to various legal proceedings seeking damages or injunctive or other relief. In addition to routine litigation, certain of these proceedings could, if unfavorably resolved from the point of view of the State, substantially affect State programs or finances. These lawsuits involve programs generally in the areas of prison overcrowding and corrections, highway maintenance and transportation, social services, tax collection, commerce, and budgetary reductions to school districts and governmental units. Relief sought includes damages in tort cases generally, changes in Medicaid eligibility standards and disbursement policies, and recovery of taxes paid under the Michigan Premium Tax. The State is also a party to various legal proceedings which, if resolved in the State's favor, would result in contingency gains to the State's General Fund balance, but without material effect upon fund balance. The ultimate dispositions and consequences of all of these proceedings are not presently determinable, but such ultimate dispositions and consequences of all these legal proceedings will not themselves, in the opinion of the Attorney General of the State, have a material adverse effect on the State's financial position.

The State accrues liabilities related to significant (generally, over $5 million) legal proceedings when the loss becomes probable and reasonably estimable. For the many proceedings which are, individually, not significant to the State's financial statements, losses are generally recognized if final settlement is made within 60 days of year-end. In the event that a significant settlement includes provisions that require payments extending beyond one year, the obligation is treated as a long-term liability or commitment, depending on its nature. If it is a long-term liability, it is presented in the general long-term obligations account group with fund liabilities recognized when due and payable.

Note 27 continued on next page.

Contingent Liability for Local School District Bonds - Public Act 108 of 1961, as amended, resulted in a contingent liability for the bonds of any school district which are "qualified" by the Superintendent of Public Instruction. Every qualified school district is required to borrow and the State is required to lend to it any amount necessary for the school district to avoid a default on its qualified bonds. In the event funds are not available in the School Bond Loan Fund in adequate amounts to make such a loan, the State is required to make such loans from the General Fund. As of December 31, 1984 the principal amount of qualified bonds outstanding was $2.0 billion. Total debt service requirements on these bonds including interest will approximate $250 million in 1985.

Federal Grants - Federal revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. The State recognizes material disallowances when the loss becomes probable and reasonably estimable. As of September 30, 1984, the State estimates that additional disallowances of recognized revenues will not be material to the statements.

Unreserved Encumbrances - Encumbrances related to capital outlay are recorded only to the extent that unused spending authority exists. The General Fund and the State Trunkline Fund, a special revenue fund, have unrecorded encumbrances in excess of spending authority totaling $9.6 and $12.7 million, respectively.

Unemployment Compensation - The State is contingently liable for future unemployment benefits for current employees. The Michigan Employment Security Commission bills the State for the actual amount of claims paid through September 30 to former State employees. The State does not accrue liabilities for unemployment compensation to be paid in future fiscal years. During the 1983-84 fiscal year, the amount of claims paid to former State employees was $5.8 million. Future year payments have not been estimated.

NOTE 28 -- SUBSEQUENT EVENTS

Short-Term Borrowing

The Constitution provides that the legislature may authorize the issuance of short-term notes, the principal amount of which may not exceed 15% of undedicated revenues received in the preceding year. The Constitution also provides that such notes must be repaid within the fiscal year of the borrowing. Based upon such revenues for the fiscal year ended September 30, 1984, the State may issue short-term securities, the outstanding amount of which may not exceed approximately $800 million.

On October 1, 1984, the State issued general obligation notes aggregating $450 million. The notes, which carry third party guarantees are due on September 26, 1985. In the prior fiscal year $500 million was borrowed in October 1983 and repaid in September 1984. The proceeds are used to meet cash flow requirements, primarily related to school aid distributions and income tax refunds.

Bond Sales

The State issued $33 million of general obligation bonds on November 1, 1984 for the purpose of water pollution prevention and abatement. The proceeds will be credited to the Water Pollution Control Fund, a special revenue fund which, as explained in Note #4, has already incurred liabilities and encumbrances in anticipation of the bond proceeds.

In February 1985, the State issued $57.8 million of revenue dedicated debt for the purpose of refunding previously issued bonds. The proceeds of the new bonds, which are payable solely from the resources of the Comprehensive Transportation Fund, are being placed in a trust with an escrow agent. The trust will be used to meet the future debt service requirements related to the Comprehensive Transportation Fund Series B bonds issued in 1981. The new bonds consist of both current interest ($47.8 million) and capital appreciation ($10.0 million) bonds.

The Michigan State Housing Development Authority, which has a June 30 fiscal year-end, issued $139.5 million of bonds and $29 million of revolving credit notes in August of 1984. The Authority also participated in issuance of $31.6 million of limited obligation debt in August and December of 1984, which will be disclosed but not recorded as liabilities of the Authority.

The Michigan State Hospital Finance Authority issued a total of $137.5 million of additional limited obligation bonds for five projects between November 1, 1984 and February 19, 1985.

Note 28 continued on next page.

Michigan Higher Education Student Loan Authority

On December 18, 1984, the Authority entered into a financing agreement with the Student Loan Marketing Association (SLMA) whereby SLMA has committed to lend $45,000,000 to the Authority for the purpose of refunding the Series III Notes and for making new student loans. The Authority will assign to SLMA student loans and other assets equal to or greater than 105% of the outstanding balance as collateral for the loan. Interest is payable quarterly at 1 1/4% above the 91 day Treasury bill rate. The loan will be repaid based upon the collateralized student loan repayments with any remaining balance due December 18, 1999. On December 26, 1984, the Authority borrowed $27,500,000 for the purpose of refunding the Series III notes.

Michigan Strategic Fund

Public Act 270 of 1984 was enacted in December 1984 and it creates a new "Michigan Strategic Fund." The act provides for the assumption by the new fund of the activities of the Economic Development Authority (an enterprise fund) and the Job Development Authority (a special revenue fund). The effects, if any, that this act will have on the State's financial report have not been determined.

Michigan Natural Resources Trust Fund

In the November 1984 general election, a constitutional amendment proposal was passed that provides restriction of revenues derived from certain mineral rights on State lands. The amendment will merge the current State Recreational Land Acquisition Trust Fund (special revenue) and the Heritage Trust (agency) Fund. Part of the receipts of the Heritage Trust Fund had been previously dedicated for certain Economic Development Authority bonds, but the rights of those bond holders will not be impaired by the change.

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II FINANCIAL SECTION

COMBINING FINANCIAL
STATEMENTS
AND SCHEDULES

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - BY CLASSIFICATION
1984
(In Thousands)

	TRANSPORTATION RELATED SEPTEMBER 30	CONSERVATION AND RECREATION RELATED SEPTEMBER 30	REGULATORY AND ADMINISTRATIVE SEPTEMBER 30
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 101	$ 74	$ 1,752
Equity in Common Cash	372,236	70,585	21,240
Taxes, interest, and penalties receivable (at net)	50,770	5	-
Amounts due from other funds	35,838	1,814	274
Amounts due from federal agencies	82,341	1,927	10,207
Amounts due from local units	12,311	16	-
Inventories	10,988	-	181
Investments	-	-	-
Other current assets	2,246	5,618	12,334
Total Current Assets	566,835	80,042	45,991
Taxes, interest, and penalties receivable (at net)	118	-	-
Amounts due from other funds	-	-	-
Amounts due from local units	110,677	-	-
Investments	-	-	50,185
Other noncurrent assets	11,294	-	-
Total Assets	$ 688,926	$ 80,042	$ 96,176
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to Common Cash	$ -	$ -	$ -
Warrants outstanding	8,291	536	1,093
Accounts payable and other liabilities	200,270	14,067	31,363
Amounts due to other funds	26,316	44	1,163
Deferred revenue	2,625	-	6,225
Total Current Liabilities	237,504	14,647	39,845
Long-Term Liabilities:			
Prize awards payable	-	-	36,207
Deferred revenue	11,412	-	-
Total Liabilities	248,916	14,647	76,053
Fund Balances:			
Reserved	376,500	50,426	5,615
Unreserved	63,509	14,968	14,508
Total Fund Balances	440,009	65,395	20,123
Total Liabilities and Fund Balances	$ 688,926	$ 80,042	$ 96,176

STATE AUTHORITIES- GOVERNMENTAL VARIOUS	OTHER SEPTEMBER 30	TOTALS	
		1984	1983 (RESTATED)
$ 399	$ 3	$ 2,330	$ 2,107
-	20,824	484,887	437,449
-	93,645	144,421	132,776
-	16,739	54,667	38,811
-	28	94,505	71,471
37	14,158	26,523	35,804
-	-	11,170	11,266
63,015	-	63,015	88,805
4,834	54	25,088	22,129
68,286	145,454	906,611	840,622
-	3,296	3,415	2,743
-	2,446	2,446	2,576
-	2,311	112,988	69,121
123,131	-	173,317	120,992
-	-	11,294	12,606
$ 191,418	$ 153,508	$ 1,210,072	$ 1,048,662
$ -	$ 121,896	$ 121,896	$ 122,168
-	99	10,021	11,430
14,411	1,648	261,760	237,409
5,312	-	32,837	29,412
58	1,161	10,071	7,182
19,783	124,807	436,588	407,602
-	-	36,207	31,104
-	3,296	14,709	15,964
19,783	128,103	487,504	454,671
170,255	22,720	625,517	557,387
1,379	2,683	97,050	36,603
171,635	25,404	722,568	593,990
$ 191,418	$ 153,508	$ 1,210,072	$ 1,048,662

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - BY CLASSIFICATION
FISCAL YEARS ENDED 1984
(In Thousands)

	TRANSPORTATION RELATED SEPTEMBER 30	CONSERVATION AND RECREATION RELATED SEPTEMBER 30	REGULATORY AND ADMINISTRATIVE RELATED SEPTEMBER 30
REVENUES			
Taxes	$ 865,474	$ 5,380	$ -
From federal agencies	281,773	1,840	114,405
From local agencies	16,275	1	-
From services	748	-	-
From licenses and permits	21,043	23,523	3,813
Miscellaneous	43,477	39,104	598,966
Total Revenues	1,228,794	69,850	717,185
EXPENDITURES			
Current:			
General government	-	-	356,092
Education	-	-	-
Conservation, recreation, and agriculture	-	2,035	-
Labor, commerce, and regulatory	-	-	136,140
Transportation	773,477	-	-
Capital outlay	374,275	11,115	-
Total Expenditures	1,147,752	13,151	492,233
Excess of Revenues over (under) Expenditures	81,042	56,698	224,951
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	107,714	-	-
Operating transfers in	405,954	9,421	27,334
Operating transfers out	(515,891)	(47,442)	(246,993)
Total Other Financing Sources (Uses)	(2,222)	(38,020)	(219,659)
Cumulative Effect of Accounting Change	2,000	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses after Accounting Change	80,820	18,677	5,292
Fund Balances - Beginning of fiscal year - as previously reported	359,189	46,717	14,831
Effect of accounting change	-	-	-
Fund Balances - Beginning of fiscal year - restated	359,189	46,717	14,831
Fund Balances - September 30	$ 440,009	$ 65,395	$ 20,123

		TOTALS	
		FISCAL YEAR ENDED	
STATE AUTHORITIES-GOVERNMENTAL VARIES	OTHER SEPTEMBER 30	1984	1983 (RESTATED)
$ -	$ 1,238,289	$ 2,109,145	$ 1,827,481
-	32,885	430,905	386,890
-	733	17,010	7,187
861	-	1,610	1,040
4,631	-	53,012	51,201
19,725	2,193	703,468	638,169
25,219	1,274,101	3,315,151	2,911,970
61	4,452	360,607	344,637
63,599	1,955,224	2,018,823	1,787,452
110	-	2,146	4,377
416	-	136,556	140,924
2,263	-	775,740	670,297
3,597	-	388,988	253,157
70,047	1,959,676	3,682,862	3,200,846
(44,828)	(685,575)	(367,711)	(288,876)
101,684	-	209,398	377,659
3,990	687,738	1,134,439	1,004,442
(38,285)	(997)	(849,610)	(811,338)
67,389	686,740	494,228	570,763
60	-	2,060	(5,075)
22,621	1,165	128,577	276,812
-	24,238	444,976	319,903
149,014	-	149,014	(2,724)
149,014	24,238	593,990	317,178
$ 171,635	$ 25,404	$ 722,568	$ 593,990

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - BY CLASSIFICATION
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	TRANSPORTATION RELATED		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ 837,000	$ 865,474	$ 28,474
From federal agencies	285,400	281,773	(3,627)
From local agencies	12,600	16,275	3,675
From services	500	748	248
From licenses and permits	21,100	21,043	(57)
Miscellaneous	34,800	43,477	8,677
Total Revenues	1,191,400	1,228,794	37,394
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	-	-	-
Conservation, recreation, and agriculture	-	-	-
Labor, commerce, and regulatory	-	-	-
Transportation	897,999	827,437	70,562
Capital outlay	485,671	463,489	22,181
Total Expenditures and Encumbrances	1,383,671	1,290,927	92,744
Excess of Revenues over (under) Expenditures and Encumbrances	(192,271)	(62,132)	130,139
OTHER FINANCING SOURCES (USES)			
From bond proceeds	111,800	107,714	(4,086)
Operating transfers in	363,900	405,954	42,054
Operating transfers out	(526,094)	(515,891)	10,202
Total Other Financing Sources (Uses)	(50,394)	(2,222)	48,172
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (242,665)	(64,354)	$ 178,311
Reconciling Items:			
Encumbrances at September 30		143,237	
Net effect of basis differences		1,937	
Nonappropriated activities		-	
Net Reconciling Items		145,174	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		80,820	
FUND BALANCES (GAAP BASIS)			
Beginning balances previously reported		359,189	
Effect of accounting change		-	
Beginning balances - restated		359,189	
Ending balances (GAAP Basis)		$ 440,009	

CONSERVATION AND RECREATION RELATED			REGULATION AND ADMINISTRATION RELATED			STATE AUTHORITIES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 4,000	$ 5,380	$ 1,380	$ -	$ -	$ -	$ -	$ -	$ -
22,800	1,840	(20,960)	110,200	114,309	4,109	-	-	-
-	1	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
24,000	23,523	(477)	4,016	3,813	(203)	-	-	-
19,600	39,104	19,504	639,410	598,966	(40,444)	-	-	-
70,400	69,850	(550)	753,626	717,089	(36,537)	-	-	-
-	-	-	359,930	356,454	3,476	-	-	-
-	-	-	-	-	-	-	-	-
729	5,843	(5,114)	-	-	-	-	-	-
-	-	-	138,805	136,475	2,330	-	-	-
-	-	-	-	-	-	-	-	-
12,744	11,945	799	-	-	-	-	-	-
13,473	17,788	(4,315)	498,736	492,930	5,806	-	-	-
56,926	52,062	(4,864)	254,890	224,159	(30,731)	-	-	-
33,000	-	(33,000)	-	-	-	-	-	-
8,200	9,421	1,221	17,800	27,334	9,534	-	-	-
(50,459)	(47,442)	3,017	(248,859)	(247,003)	1,856	-	-	-
(9,259)	(38,020)	(28,761)	(231,059)	(219,669)	11,390	-	-	-
$ 47,667	14,041	$ (33,626)	$ 23,831	4,490	$ (19,341)	$ -	-	$ -
	4,637			802			-	
	-			-0-			-	
	-			-			22,621	
	4,637			802			22,621	
	18,677			5,292			22,621	
	46,717			14,831			-0-	
	-			-			149,014	
	46,717			14,831			149,014	
	$ 65,395			$ 20,123			$ 171,635	

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - BY CLASSIFICATION (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	OTHER			TOTALS		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ 1,214,400	$ 1,238,289	$ 23,889	$ 2,055,400	$ 2,109,145	$ 53,745
From federal agencies	35,000	32,885	(2,115)	453,400	430,809	(22,591)
From local agencies	-	733	733	12,600	17,010	4,410
From services	-	-	-	500	748	248
From licenses and permits	-	-	-	49,116	48,380	(736)
Miscellaneous	5,789	2,541	(3,248)	699,599	684,090	(15,509)
Total Revenues	1,255,189	1,274,449	19,260	3,270,615	3,290,184	19,569
EXPENDITURES AND ENCUMBRANCES						
Current:						
General government	5,186	4,452	734	365,116	360,906	4,210
Education	1,950,647	1,955,224	(4,577)	1,950,647	1,955,224	(4,577)
Conservation, recreation and agriculture	-	-	-	729	5,843	(5,114)
Labor, commerce, and regulatory	-	-	-	138,805	136,475	2,330
Transportation	-	-	-	897,999	827,437	70,562
Capital outlay	-	-	-	498,415	475,434	22,981
Total Expenditures and Encumbrances	1,955,833	1,959,676	(3,843)	3,851,713	3,761,321	90,392
Excess of Revenues over (under) Expenditures and Encumbrances	(700,644)	(685,227)	15,417	(581,099)	(471,138)	109,961
OTHER FINANCING SOURCES (USES)						
From bond proceeds	-	-	-	144,800	107,714	(37,086)
Operating transfers in	718,500	687,738	(30,762)	1,108,400	1,130,448	22,048
Operating transfers out	(1,024)	(997)	27	(826,436)	(811,333)	15,103
Total Other Financing Sources (Uses)	717,476	686,740	(30,736)	426,764	426,829	65
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ 16,832	1,514	$ (15,318)	$ (154,335)	(44,309)	$ 110,026
Reconciling Items:						
Encumbrances at September 30		-			148,677	
Net effect of basis differences		(348)			1,589	
Nonappropriated activities		-			22,621	
Net Reconciling Items		(348)			172,887	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		1,165			128,577	
FUND BALANCES (GAAP BASIS)						
Beginning balances previously reported		24,238			444,976	
Effect of accounting change		-			149,014	
Beginning balances - restated		24,238			593,990	
Ending balances (GAAP Basis)		$ 25,404			$ 722,568	

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1984

STATE AERONAUTICS FUND

This fund, established by P.A. 327 of 1945, is administered by the Department of Transportation for improvement of airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal and local contributions and aviation fuel taxes. Expenditures and transfers are for administration and local airport improvement project costs.

STATE TRUNKLINE FUND

This fund is administered by the Department of Transportation for construction and maintenance of highways. Its overall budget is subject to annual legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Financing consists primarily of a transfer from the Michigan Transportation Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. In accordance with statutory provisions, any unencumbered balance, at fiscal year-end, lapses and reverts to the fund for appropriation in the following fiscal year.

Under an arrangement with the Federal Highway Administration, the department has, over a period of years, qualified a number of construction projects financed from bond issues without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the department, to the extent of bond retirement, provided that there are adequate federal aid allocations. This arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date. During the 1983-84 fiscal year $19.5 million was received by the Department of Transportation through the conversion of deferred projects in order to receive the maximum federal funds available.

The State Trunkline Fund also is used to record loans made to local units of government for reconstructing and resurfacing roadways. Funds for such loans are made available by transfer from the 1983 State Trunkline Fund Bond Proceeds Fund and the 1984 State Trunkline Fund Bond Proceeds Fund. Loan repayments, which are received directly by the State Trunkline Fund, are not pledged to the payment of the bonds related to the loans.

MICHIGAN TRANSPORTATION FUND

This fund, established by P.A. 51 of 1951, Sec. 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, a number of types of revenue are collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to the General Fund to pay the cost of collection of the dedicated revenues and to the State Trunkline Fund, Comprehensive Transportation Fund, and the Michigan State Waterways Fund in accordance with the statutory formulae. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formulae and pursuant to P.A. 5 of 1967 (Extra Session), Sec. 91, to the Mackinac Bridge Authority to apply on payment of principal and interest of the outstanding bonds so bridge tolls can be reduced.

COMPREHENSIVE TRANSPORTATION FUND

The Comprehensive Transportation Fund was created by Public Acts 326, 327, and 328 of 1972 and Public Act 197 of 1973. Further additions and amendments to the laws governing this fund were enacted in 1975, being Public Acts 195, 196, and 239.

The fund, under the direction of the Department of Transportation, was created for the purpose of planning and developing public transportation systems within the State. In accordance with statutory provisions, any unencumbered balance, at fiscal year-end, lapses and reverts to the fund for appropriation in the following fiscal year.

In addition to providing direct expenditures for public transportation purposes, the fund is increasingly being used to provide financing for entities providing bus and rail services. Such financing is provided primarily by purchasing buses and reselling them to private carriers on a credit basis and by purchasing and leasing back rail related assets.

Financing is provided by a transfer from the Michigan Transportation Fund, federal, local, vehicle related sales tax, and aviation related revenues.

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $217 million of comprehensive transportation bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

The State Transportation Commission approved issuance of $106.3 million Series A bonds in 1980 and $50 million Series B bonds in 1981. These bonds are used to finance part of the costs of constructing and acquiring comprehensive transportation projects. A majority of these projects, as approved by legislative action, are undertaken to enhance local transportation systems.

1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $135 million of State trunkline bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for State trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved issuance of $135 million bonds in 1983. These bonds are used in part to finance the costs of reconstructing and resurfacing portions of the State trunkline system. The bonds will also be used to finance loans to local units of government for reconstructing and resurfacing roadways, by a transfer to the State Trunkline Fund where the loans are made and recorded.

1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $60 million of comprehensive transportation bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IV of the Michigan Constitution and irrevocably pledged by law for disposition in the Comprehensive Transportation Fund.

The State Transportation Commission approved issuance of $60 million bonds in 1984. These bonds are used to finance part of the construction and acquisition of comprehensive transportation projects.

1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $50 million of State trunkline bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for State trunkline purposes by Section 9 of Article IX of the of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved issuance of $50 million bonds in 1984. These bonds are used in part to finance the costs of reconstructing and resurfacing portions of the State trunkline system. The bonds will also be used to finance loans to local units of government for reconstructing and resurfacing roadways, by a transfer to the State Trunkline Fund where the loans are made and recorded.

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STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
SEPTEMBER 30, 1984
(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ -	$ 100	$ -
Equity in Common Cash	4,985	124,148	83,963
Taxes, interest, and penalties receivable (at net)	316	-	50,453
Amounts due from other funds	167	23,136	2,644
Amounts due from federal agencies	9,461	66,064	-
Amounts due from local units	2,281	7,283	-
Inventories	-	10,988	-
Other current assets:			
Amounts due from private carriers	-	-	-
Miscellaneous	62	1,459	-
Total other current assets	62	1,459	-
Total Current Assets	17,275	233,181	137,061
Taxes, interest, and penalties receivable (at net)	-	-	118
Amounts due from local units	1,206	109,471	-
Other noncurrent assets:			
Amounts due from private carriers	-	-	-
Land contracts outstanding	-	4,246	-
Miscellaneous	-	-	-
Total other noncurrent assets	-	4,246	-
Total Assets	$ 18,481	$ 346,899	$ 137,179
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding	$ 868	$ 6,213	$ 158
Accounts payable and other liabilities	3,718	58,029	112,869
Amounts due to other funds	27	2,168	24,032
Deferred revenue	2,625	-	-
Total Current Liabilities	7,240	66,411	137,061
Long-Term Liabilities:			
Deferred revenue	-	4,246	118
Total Liabilities	7,240	70,658	137,179
Fund Balances:			
Reserves:			
Reserved for encumbrances	1,572	85,841	-
Reserved for unencumbered restricted revenue balances (except capital outlay)	-	1,258	-
Reserved for unencumbered capital outlay and work projects	40	45,779	-
Reserved for noncurrent assets	1,206	109,471	-
Reserved for operating balances carried forward	8,039	-	-
Total Reserves	10,857	242 351	-
Unreserved	384	33,889	-
Total Fund Balances	11,241	276,241	-0-
Total Liabilities and Fund Balances	$ 18,481	$ 346,899	$ 137,179

COMPREHENSIVE TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND	TOTALS	
					SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ -	$ -	$ -	$ -	$ -	$ 101	$ 96
45,083	22,582	17,045	47,269	27,159	372,236	347,888
-	-	-	-	-	50,770	45,458
5,992	648	854	1,414	979	35,838	28,800
6,816	-	-	-	-	82,341	66,118
2,462	-	284	-	-	12,311	16,631
-	-	-	-	-	10,988	10,997
197	-	-	-	-	197	210
471	55	-	-	-	2,048	2,416
669	55	-	-	-	2,246	2,627
61,024	23,286	18,184	48,683	28,138	566,835	518,617
-	-	-	-	-	118	53
-	-	-	-	-	110,677	63,991
7,047	-	-	-	-	7,047	7,255
-	-	-	-	-	4,246	4,839
-	-	-	-	-	-	122
7,047	-	-	-	-	11,294	12,216
$ 68,071	$ 23,286	$ 18,184	$ 48,683	$ 28,138	$ 688,926	$ 594,879
$ 262	$ 17	$ 770	$ -	$ -	$ 8,291	$ 9,957
13,959	5,015	4,362	2,227	87	200,270	185,021
86	-	-	-	-	26,316	24,119
-	-	-	-	-	2,625	4,320
14,308	5,033	5,133	2,227	87	237,504	223,419
7,047	-	-	-	-	11,412	12,270
21,355	5,033	5,133	2,227	87	248,916	235,690
16,899	11,073	5,439	17,934	4,478	143,237	196,812
391	7,179	-	28,522	23,572	60,923	19,757
189	-	7,612	-	-	53,621	55,411
-	-	-	-	-	110,677	63,993
-	-	-	-	-	8,039	4,201
17,480	18,252	13,051	46,456	28,050	376,500	340,176
29,235	-	-	-	-	63,509	19,012
46,715	18,252	13,051	46,456	28,050	440,009	359,189
$ 68,071	$ 23,286	$ 18,184	$ 48,683	$ 28,138	$ 688,926	$ 594,879

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
REVENUES				
Taxes....................................	$ 3,277	$ 1	$ 826,540	$ 35,654
From federal agencies....................	17,542	258,033	-	6,197
From local agencies......................	4,229	11,678	-	-
From services............................	635	113	-	-
From licenses and permits................	67	505	20,391	79
Miscellaneous............................	640	18,383	9,120	3,474
Total Revenues........................	26,393	288,7[illegible]6	856,052	45,406
EXPENDITURES				
Current:				
Transportation.........................	28,187	199,037	437,227	93,212
Capital outlay...........................	28	317,771	-	-
Total Expenditures...................	28,216	516,808	437,227	93,212
Excess of Revenues over (under) Expenditures......................	(1,822)	(228,091)	418,824	(47,806)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issue.................	-	-	-	-
Operating transfers in...................	-	326,528	-	79,426
Operating transfers out..................	(378)	(39,736)	(418,824)	(20,412)
Total Other Financing Sources (Uses)..	(378)	286,791	(418,824)	59,013
Cumulative Effect of Accounting Change	33	1,914	-	52
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Change........	(2,168)	60,613	-	11,258
Fund Balances - October 1..................	13,410	215,627	-	35,456
Fund Balances - September 30..............	$ 11,241	$ 276,241	$ -0-	$ 46,715

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1984	 SEPTEMBER 30, 1983
$ -	$ -	$ -	$ -	$ 865,474	$ 729,588
-	-	-	-	281,773	214,349
-	367	-	-	16,275	7,185
-	-	-	-	748	866
-	-	-	-	21,043	19,101
2,588	4,595	3,338	1,336	43,477	32,289
2,588	4,963	3,338	1,336	1,228,794	1,003,381
9,850	-	5,960	-	773,477	667,677
-	46,469	9,735	270	374,275	237,296
9,850	46,469	15,696	270	1,147,752	904,973
(7,262)	(41,506)	(12,358)	1,066	81,042	98,408
-	-	58,814	48,900	107,714	132,186
-	-	-	-	405,954	386,762
(19)	(14,603)	-	(21,915)	(515,891)	(484,796)
(19)	(14,603)	58,814	26,984	(2,222)	34,152
-	-	-	-	2,000	(3,333)
(7,281)	(56,109)	46,456	28,050	80,820	129,227
25,534	69,161	-	-	359,189	229,962
$ 18,252	$ 13,051	$ 46,456	$ 28,050	$ 440,009	$ 359,189

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	STATE AERONAUTICS FUND			STATE TRUNKLINE FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ 3,200	$ 3,277	$ 77	$ -	$ 1	$ 1
From federal agencies	20,200	17,542	(2,658)	254,900	258,033	3,133
From local agencies	1,700	4,229	2,529	10,900	11,678	778
From services	500	635	135	-	113	113
From licenses and permits	100	67	(33)	500	505	5
Miscellaneous	700	640	(60)	17,600	18,383	783
Total Revenues	26,400	26,393	(7)	283,900	288,716	4,816
EXPENDITURES AND ENCUMBRANCES						
Current:						
Transportation	31,831	29,692	2,139	208,029	205,596	2,433
Capital outlay	97	97	-	419,181	397,000	22,181
Total Expenditures and Encumbrances	31,928	29,789	2,139	627,211	602,596	24,615
Excess of Revenues over (under) Expenditures and Encumbrances	(5,528)	(3,396)	2,132	(343,311)	(313,879)	29,432
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issues	-	-	-	-	-	-
Operating transfers in	-	-	-	285,900	326,[illegible]28	40,628
Operating transfers out	(430)	(378)	51	(40,251)	(39,736)	514
Total Other Financing Sources (Uses)	(430)	(378)	51	245,649	286,791	41,142
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (5,958)	(3,774)	$ 2,184	$ (97,662)	(27,088)	$ 70,574
Reconciling Items:						
Encumbrances at September 30		1,572			85,841	
Net effect of basis differences		34			1,860	
Net Reconciling Items		1,606			87,701	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(2,168)			60,613	
FUND BALANCES (GAAP BASIS)						
Beginning balances		13,410			215,627	
Ending balances		$ 11,241			$ 276,241	

MICHIGAN TRANSPORTATION FUND			COMPREHENSIVE TRANSPORTATION FUND			COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 802,800	$ 826,540	$ 23,740	$ 31,000	$ 35,654	$ 4,654	$ -	$ -	$ -
-	-	-	10,300	6,197	(4,103)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,400	20,391	(9)	100	79	(21)	-	-	-
9,000	9,120	120	4,300	3,474	(826)	1,600	2,588	988
832,200	856,052	23,852	45,700	45,406	(294)	1,600	2,588	988
438,227	437,227	999	115,796	110,102	5,694	28,124	20,924	7,200
-	-	-	-	-	-	-	-	-
438,227	437,227	999	115,796	110,102	5,694	28,124	20,924	7,200
393,973	418,824	24,851	(70,096)	(64,695)	5,401	(26,524)	(18,336)	8,188
-	-	-	-	-	-	-	-	-
400	-	(400)	77,600	79,426	1,826	-	-	-
(425,680)	(418,824)	6,856	(23,193)	(20,412)	2,780	(19)	(19)	-
(425,280)	(418,824)	6,456	54,407	59,013	4,606	(19)	(19)	-
$ (31,307)	-	$ 31,307	$ (15,689)	(5,682)	$ 10,007	$ (26,543)	(18,355)	$ 8,188
	-			16,899			11,073	
	-			42			-	
	-			16,940			11,073	
	-			11,258			(7,281)	
	-0-			35,456			25,534	
	$ -0-			$ 46,715			$ 18,252	

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND			1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
From federal agencies	-	-	-	-	-	-
From local agencies	-	367	367	-	-	-
From services	-	-	-	-	-	-
From licenses and permits	-	-	-	-	-	-
Miscellaneous	1,600	4,595	2,995	-	3,338	3,338
Total Revenues	1,600	4,963	3,363	-	3,338	3,338
EXPENDITURES AND ENCUMBRANCES						
Current:						
Transportation	-	-	-	52,416	23,894	28,522
Capital outlay	51,908	51,908	-	9,735	9,735	-
Total Expenditures and Encumbrances	51,908	51,908	-	62,152	33,630	28,522
Excess of Revenues over (under) Expenditures and Encumbrances	(50,308)	(46,945)	3,363	(62,152)	(30,292)	31,860
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issues	-	-	-	62,900	58,814	(4,086)
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(14,603)	(14,603)	-	-	-	-
Total Other Financing Sources (Uses)	(14,603)	(14,603)	-	62,900	58,814	(4,086)
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (64,911)	(61,548)	$ 3,363	$ 748	28,522	$ 27,774
Reconciling Items:						
Encumbrances at September 30		5,439			17,934	
Net effect of basis differences		-			-	
Net Reconciling Items		5,439			17,934	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(56,109)			46,456	
FUND BALANCES (GAAP BASIS)						
Beginning balances		69,161			-0-	
Ending balances		$ 13,051			$ 46,456	

1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 837,000	$ 865,474	$ 28,474
-	-	-	285,400	281,773	(3,627)
-	-	-	12,600	16,275	3,675
-	-	-	500	748	248
-	-	-	21,100	21,043	(57)
-	1,336	1,336	34,800	43,477	8,677
-	1,336	1,336	1,191,400	1,228,794	37,394
23,572	-	23,572	897,999	827,437	70,562
4,749	4,749	-	485,671	463,489	22,181
28,321	4,749	23,572	1,383,671	1,290,927	92,744
(28,321)	(3,412)	24,909	(192,271)	(62,132)	130,139
48,900	48,900	-	111,800	107,714	(4,086)
-	-	-	363,900	405,954	42,054
(21,915)	(21,915)	-	(526,094)	(515,891)	10,202
26,984	26,984	-	(50,394)	(2,222)	48,172
$ (1,337)	23,572	$ 24,909	$ (242,665)	(64,354)	$ 178,311
	4,478			143,237	
	-			1,937	
	4,478			145,174	
	28,050			80,820	
	-0-			359,189	
	$ 28,050			$ 440,009	

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1984

GAME AND FISH PROTECTION FUND

This fund was established by P.A. 17 of 1921. It is financed principally from hunting and fishing license fees whose purpose is to support the conservation program for preservation and control of fish and wildlife. Added revenues arise from the sale of oil and gas leases and subsequent royalties on land acquired by the fund. Activity in this fund consists primarily of transfers to the General Fund to finance appropriations made in the General Fund for game and fish related activities.

In addition, this fund, under provisions of P.A. 91 of 1925 as amended, makes grants through the General Fund to counties as payment in lieu of taxes on certain State owned real property purchased from this fund.

MICHIGAN STATE WATERWAYS FUND

This fund was established by P.A. 320 of 1947 and is financed primarily from watercraft registration taxes and gasoline taxes. P.A. 303 of 1967, as amended by P.A. 153 of 1974, stipulates that 25% of watercraft registration taxes are revenue to the Michigan State Waterways Fund. P.A. 328 of 1972 provides that 1.023% of all State-imposed taxes collected on the sale of gasoline shall be credited to the Michigan State Waterways Fund after deducting collection costs and refunds.

These revenues are directed primarily toward improvement of lake harbors, docking facilities, and inland waterways. All Michigan State Waterways Fund expenditures, other than capital outlay, are recorded in the General Fund and are financed by transfers from the Michigan State Waterways Fund.

MARINE SAFETY FUND

This fund was established by P.A. 303 of 1967 and is financed principally by 75% of watercraft registration taxes imposed by this act. Amendatory Act 153 of 1974 provided a graduated watercraft registration tax based upon the length of a vessel or motorboat. Activities of this fund consist solely of transfers to the General Fund and the Michigan State Waterways Fund for water safety education programs, law enforcement, and establishment of regulations for the operation of watercraft on the waters of this State.

STATE PARK IMPROVEMENT FUND

This fund was established by P.A. 149 of 1960 as amended, and is financed mainly by the proceeds of an authorized $20 million revenue dedicated bond issue and from State park permit fees necessary for entry by motor vehicle into designated State parks.

The resources of this fund are subject to appropriations by the Legislature for operation, the acquisition of land, construction, development, and improvement of State parks.

STATE RECREATIONAL LAND ACQUISITION TRUST FUND

This fund was established by P.A. 204 of 1976 as amended, and is administered by the Department of Natural Resources. Previous to 1981-82, except for specified exceptions, all bonus, rentals, and royalties derived from mineral interests in all mineral, coal, oil, and gas owned by the State were credited to the fund for future purchases of land for hunting or fishing and other recreational purposes, administrative expenditures, and for the payment of any taxes owed by the State on the land. P.A. 165 of 1982 amended P.A. 204 of 1976 by providing for periodic distributions of specified amounts to the State Economic Development Authority. P.A. 327 of 1982 revised this by requiring that from its December 13, 1982 effective date through September 30, 2032, these mineral interests be credited to the Heritage Trust Fund, which is an agency fund created by P.A. 328 of 1982. That fund makes the mandated distributions to the Economic Development Authority and transfers excess revenues to the State Recreational Land Acquisition Trust Fund to finance the expenditures originally specified in P.A. 204.

The State Constitution was amended in November 1984 to provide for a "Michigan Natural Resources Trust Fund." The State Recreational Land Acquisition Trust Fund will be merged into the new fund. The Legislature must provide by law for the implementation of the change.

WATER POLLUTION CONTROL BOND FUND

This fund was established by P.A. 329 of 1966 to account for the proceeds of $335.0 million of general obligation bonds approved by the people in November, 1968, for the prevention and abatement of water pollution. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 Constitution and P.A. 76 of 1968. To date, $302.0 million in bonds have been sold, with $32.0 million having been accounted for in the State Sewer Construction Fund. An additional sale of $33.0 million was made in November, 1984.

The proceeds of these bonds are used to assist local units of government in financing construction of facilities for treatment of sewage and other liquid wastes.

P.A. 215 of 1972 requires that this fund receive any unencumbered balance of the State Sewer Construction Fund's $32.0 million portion of the bond issue. During 1981-82 it received $1.6 million equity transfer. The remaining $8 thousand cash and encumbrances of that fund were merged into this fund as of October 1, 1983.

HAZARDOUS WASTE MANAGEMENT FUND

The Hazardous Waste Management Fund was established by P.A. 64 of 1979. It accounted for the fees collected under the authority of the act for financing the licensing and regulation of hazardous waste disposal facility operations.

P.A. 486 of 1982 amended that act by eliminating the authority for fee collection, by ordering refunds of previously collected fees, and by requiring the elimination of the fund. Because of the time required to identify and locate those parties who had originally paid fees to waste facility operators, some refunds were not made during 1983-84 but are expected to be made during 1984-85.

MICHIGAN NONGAME FISH AND WILDLIFE FUND

This fund was established by P.A. 189 of 1983 which allows a Michigan State income taxpayer to designate $2 or more of his or her tax refund for the purposes specified in the act. They include research and management of nongame fish and wildlife, designated endangered species, and designated plant species of this State. These funds must be appropriated by the Legislature before expenditure.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED
SEPTEMBER 30, 1984
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	STATE PARK IMPROVEMENT FUND
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 59	$ 14	$ -	$ -
Equity in Common Cash	1,679	1,725	578	5,588
Taxes, interest, and penalties receivable	-	5	-	-
Amounts due from other funds	-	4	8	86
Amounts due from federal agencies	855	-	219	-
Amounts due from local units	16	-	-	-
Other current assets:				
Miscellaneous	5,323	-	-	-
Total other current assets	5,323	-	-	-
Total Current Assets	7,933	1,750	807	5,675
Noncurrent assets	-	-	-	-
Total Assets	$ 7,933	$ 1,750	$ 807	$ 5,675
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Liability to Common Cash	$ -	$ -	$ -	$ -
Warrants outstanding	3	9	-	77
Accounts payable and other liabilities	27	230	-	389
Amounts due to other funds	44	-	-	-
Total Current Liabilities	74	239	-	467
Total Liabilities	74	239	-	467
Fund Balances:				
Reserves:				
Reserved for encumbrances	74	346	-	407
Reserved for unencumbered restricted revenue balances (except capital outlay)	2,203	44	-	-
Reserved for unencumbered capital outlay	2,548	1,080	-	1,743
Reserved for noncurrent assets	-	-	-	-
Reserved for balance held in a trust capacity	-	-	-	-
Total reserves	4,826	1,470	-	2,150
Unreserved (deficit)	3,032	40	807	3,057
Total Fund Balances (Deficit)	7,858	1,511	807	5,208
Total Liabilities and Fund Balances	$ 7,933	$ 1,750	$ 807	$ 5,675

STATE RECREATIONAL LAND ACQUISITION TRUST FUND	WATER POLLUTION CONTROL BOND FUND	HAZARDOUS WASTE MANAGEMENT FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	TOTALS	
				SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ -	$ -	$ -	$ -	$ 74	$ 77
60,086	239	416	271	70,585	49,074
-	-	-	-	5	14
1,714	-	-	-	1,814	944
852	-	-	-	1,927	2,723
-	-	-	-	16	21
294	-	-	-	5,618	6,213
294	-	-	-	5,618	6,213
62,947	239	416	271	80,042	59,069
-	-	-	-	-	389
$ 62,947	$ 239	$ 416	$ 271	$ 80,042	$ 59,459
$ -	$ -	$ -	$ -	$ -	$ 125
446	-	-	-	536	194
257	12,770	391	-	14,067	12,409
-	-	-	-	44	12
704	12,770	391	-	14,647	12,742
704	12,770	391	-	14,647	12,742
-	3,807	-	-	4,637	7,433
450	-	-	-	2,698	2,216
32,493	-	-	-	37,865	30,904
-	-	-	-	-	389
5,225	-	-	-	5,225	2,172
38,169	3,807	-	-	50,426	43,116
24,073	(16,339)	25	271	14,968	3,601
62,243	(12,531)	25	271	65,395	46,717
$ 62,947	$ 239	$ 416	$ 271	$ 80,042	$ 59,459

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	STATE PARK IMPROVEMENT FUND
REVENUES				
Taxes	$ -	$ 1,361	$ 4,018	$ -
From federal agencies	769	400	228	3
From local agencies	-	-	1	-
From licenses and permits	23,498	24	-	-
Miscellaneous	7,974	976	-	433
Total Revenues	32,182	2,762	4,249	437
EXPENDITURES				
Current:				
Conservation, recreation, and agriculture	-	345	40	
Capital outlay	490	1,578	-	2,642
Total Expenditures	490	1,924	40	2,642
Excess of Revenues over (under) Expenditures	31,691	837	4,208	(2,205)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	4,765	-	4,589
Operating transfers out	(34,961)	(5,460)	(3,698)	(3,028)
Total Other Financing Sources (Uses)	(34,961)	(694)	(3,698)	1,560
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(3,269)	143	510	(644)
Fund Balances (Deficit) - October 1	11,128	1,367	296	5,852
Fund Balances (Deficit) - September 30	$ 7,858	$ 1,511	$ 807	$ 5,208

				TOTALS	
				FISCAL YEAR ENDED	
STATE RECREATIONAL LAND ACQUISITION TRUST FUND	WATER POLLUTION CONTROL BOND FUND	HAZARDOUS WASTE MANAGEMENT FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ -	$ -	$ -	$ -	$ 5,380	$ 2,184
499	-	-	-	1,840	2,617
-	-	-	-	1	1
-	-	-	-	23,523	24,364
29,448	-	-	271	39,104	20,900
29,947	-	-	271	69,850	50,068
-	1,649	-	-	2,035	4,318
6,403	-	-	-	11,115	11,600
6,403	1,649	-	-	13,151	15,919
23,543	(1,649)	-	271	56,698	34,149
40	-	25	-	9,421	9,118
(293)	-	-	-	(47,442)	(50,668)
(253)	-	25	-	(38,020)	(41,550)
23,290	(1,649)	25	271	18,677	(7,401)
38,952	(10,881)	-0-	-0-	46,717	54,118
$ 62,243	$ (12,531)	$ 25	$ 271	$ 65,395	$ 46,717

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	GAME AND FISH PROTECTION FUND			MICHIGAN STATE WATERWAYS FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ -	$ -	$ -	$ 700	$ 1,361	$ 661
From federal agencies	2,100	709	(1,391)	-	400	400
From local agencies	-	-	-	-	-	-
From licenses and permits	24,000	23,498	(502)	-	24	24
Miscellaneous	7,100	7,974	874	1,000	976	(24)
Total Revenues	33,200	32,182	(1,018)	1,700	2,762	1,062
EXPENDITURES AND ENCUMBRANCES						
Current:						
Conservation, recreation, and agriculture	-	-	-	729	345	383
Capital outlay	565	565	-	2,183	1,925	258
Total Expenditures and Encumbrances	565	565	-	2,912	2,271	641
Excess of Revenues over (under) Expenditures and Encumbrances	32,634	31,617	(1,017)	(1,213)	491	1,704
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issues	-	-	-	-	-	-
Operating transfers in	-	-	-	5,200	4,765	(435)
Operating transfers out	(36,946)	(34,961)	1,985	(6,673)	(5,460)	1,213
Total Other Financing Sources (Uses)	(36,946)	(34,961)	1,985	(1,473)	(694)	779
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (4,312)	(3,344)	$ 968	$ (2,686)	(203)	$ 2,483
Reconciling Items:						
Encumbrances at September 30		74			346	
Net Reconciling Items		74			346	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(3,269)			143	
FUND BALANCES (GAAP BASIS)						
Beginning balances (deficit)		11,128			1,367	
Ending balances (deficit)		$ 7,858			$ 1,511	

MARINE SAFETY FUND			STATE PARK IMPROVEMENT FUND			STATE RECREATIONAL LAND ACQUISITION TRUST FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 3,300	$ 4,018	$ 718	$ -	$ -	$ -	$ -	$ -	$ -
4,600	228	(4,372)	100	3	(97)	16,000	499	(15,501)
-	1	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	400	433	33	11,100	29,448	18,348
7,900	4,249	(3,651)	500	437	(63)	27,100	29,947	2,847
-	40	(40)	-	-	-	-	-	-
-	-	-	3,592	3,050	542	6,403	6,403	-
-	40	(40)	3,592	3,050	542	6,403	6,403	-
7,900	4,208	(3,692)	(3,093)	(2,613)	480	20,696	23,543	2,847
-	-	-	-	-	-	-	-	-
-	-	-	3,000	4,589	1,589	-	40	40
(3,473)	(3,698)	(225)	(3,051)	(3,028)	23	(313)	(293)	20
(3,473)	(3,698)	(225)	(51)	1,560	1,611	(313)	(253)	60
$ 4,427	510	$ (3,917)	$ (3,144)	(1,052)	$ 2,092	$ 20,383	23,290	$ 2,907
	-			407			-	
	-			407			-	
	510			(644)			23,290	
	296			5,852			38,952	
	$ 807			$ 5,208			$ 62,243	

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	WATER POLLUTION CONTROL BOND FUND			HAZARDOUS WASTE MANAGEMENT FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
From federal agencies	-	-	-	-	-	-
From local agencies	-	-	-	-	-	-
From licenses and permits	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES AND ENCUMBRANCES						
Current:						
Conservation, recreation, and agriculture	-	5,457	(5,457)	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures and Encumbrances	-	5,457	(5,457)	-	-	-
Excess of Revenues over (under) Expenditures and Encumbrances	-	(5,457)	(5,457)	-	-	-
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issues	33,000	-	(33,000)	-	-	-
Operating transfers in	-	-	-	-	25	25
Operating transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	33,000	-	(33,000)	-	25	25
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ 33,000	(5,457)	$ (38,457)	$ -	25	$ 25
Reconciling Items:						
Encumbrances at September 30		3,807			-	
Net Reconciling Items		3,807			-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(1,649)			25	
FUND BALANCES (GAAP BASIS)						
Beginning balances (deficit)		(10,881)			-0-	
Ending balances (deficit)		$ (12,531)			$ 25	

MICHIGAN NONGAME FISH AND WILDLIFE FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 4,000	$ 5,380	$ 1,380
-	-	-	22,800	1,840	(20,960)
-	-	-	-	1	1
-	-	-	24,000	23,523	(477)
-	271	271	19,600	39,104	19,504
-	271	271	70,400	69,850	(550)
-	-	-	729	5,843	(5,114)
-	-	-	12,744	11,945	799
-	-	-	13,473	17,788	(4,315)
-	271	271	56,926	52,062	(4,864)
-	-	-	33,000	-	(33,000)
-	-	-	8,200	9,421	1,221
-	-	-	(50,459)	(47,442)	3,017
-	-	-	(9,259)	(38,020)	(28,761)
$ -	271	$ 271	$ 47,667	14,041	$ (33,626)
	-			4,637	
	-			4,637	
	271			18,677	
	-0-			46,717	
	$ 271			$ 65,395	

MICHIGAN EMPLOYMENT SECURITY ACT -- ADMINISTRATION FUND

This fund was created by P.A. 1 of 1936 (Extra Session). The fund derives most of its revenue from federal grants. The Legislature does not review the budget for this activity. As its name indicates, the administrative costs of this operation are accounted for in this fund.

Unemployment benefit payments to individuals are made directly by the agency from trust funds accumulated from employer premium payments. These activities are not reflected in the annual financial report. This activity is discussed in more detail in the footnote on the reporting entity.

MOTOR VEHICLE ACCIDENT CLAIMS FUND

The Motor Vehicle Accident Claims Fund, established by P.A. 198 of 1965, was financed by a $45 fee for uninsured motor vehicles. The purpose of this fund has been diminished by P.A. 294 of 1972. This act implemented "no fault" insurance in Michigan and requires that the owner of each motor vehicle registered in Michigan be covered by the insurance specified in the act. Since October 1, 1973, the effective date of this act, the $45 fee for uninsured motorists has not been collected.

Currently, revenues are derived from installment repayments by uninsured motorists for claims and/or court judgments and from interest earnings. Claim settlements and administrative costs are appropriated in the General Fund where they are incorporated in the Department of State's budget. Transfers are made from the Motor Vehicle Accident Claims Fund to the General Fund to defray the cost of claims and administration.

Claims which have been settled but unreimbursed by uninsured motorists found at fault amounted to $25.6 million at September 30, 1984. Of this amount, approximately $20.5 million is anticipated to be uncollectable. Because of the poor history of recoveries of such settlements this amount has not been reflected in the financial statements by the recognition of revenue and the corresponding amount receivable.

SAFETY EDUCATION AND TRAINING FUND

This fund was established by P.A. 24 of 1977 under the jurisdiction of the Department of Labor. P.A. 24 imposes an annual levy on each insurance carrier licensed to do workers' disability compensation business in the State, from the State Accident Fund, and from each self-insured employer. The act provides for deposit of these assessments in the Safety Education and Training Fund to finance the Safety Education and Training Division of the Department of Labor. These funds shall be annually appropriated by the Legislature for operations.

STATE CONSTRUCTION CODE FUND

The State Construction Code Fund was created by P.A. 371 of 1980. Fees established by the Director of the Department of Labor, as approved by the Construction Code Commission, for acts and services performed by the commission are deposited in the fund. The fees are appropriated by the Legislature for the operation of the bureau of construction codes and related indirect overhead expenditures in the department.

MICHIGAN JUSTICE TRAINING FUND

The Michigan Justice Training Fund was created by P.A. 302 of 1982 to support the activites of the Michigan Justice Training Commission. The Commission distributes funds to governmental units, including the Michigan Department of State Police, to provide for criminal justice training of police officers. Funds are derived by an assessment on certain civil infractions. The act states that the Commission and fund will cease to exist as of October 12, 1987.

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1984

CONSTRUCTION LIEN RECOVERY FUND

The Construction Lien Recovery Fund was established by P.A. 497 of 1980 to allow contractors, subcontractors, suppliers, and laborers to collect payments for work done if they have not been paid despite filing a residential lien. The fund is self-sustaining and is financed by fees assessed on builders, electrical and plumbing contractors, and laborers.

STATE LOTTERY FUND

P.A. 239 of 1972 established the State Lottery Fund and created a Bureau of State Lottery under authority of Section 4 of Article V of the State Constitution. This authority expired on August 1, 1974, at which time the Bureau became an organizational entity in the Department of Management and Budget.

Lottery Fund revenue is generated primarily by the sale of lottery tickets. P.A. 239 of 1972 requires that, as nearly as practicable, 45% of gross ticket sales be allocated for prize awards. Prizes awarded fall into two classifications, those which are paid in one lump sum and those which are paid on an installment basis. The bulk of prizes awarded are of the lump sum payment type. The installment payments involve an initial payment with the balance spread over more than one year. The deferred payments are recorded at the present value of the future payments discounted at a rate of 6%. The discount is amortized against income over the installment term. The State Treasurer invests funds equivalent to the discounted value of installment payments and the Lottery Fund is credited with the interest earnings. As of May 13, 1981, the net revenue remaining from the sale of lottery tickets after allocation for prize awards and encumbrances is transferred to the School Aid Fund. Prior to that date the net revenue was transferred to the General Fund. Net revenue remaining from the operation of licensing and regulating bingo, other forms of gambling and charity games is transferred to the General Fund.

Revenues from the sale of subscription tickets are recognized in the period during which the related drawings are held. Revenue from the sale of other lottery tickets, commissions to agents and banks, and allocation of revenue to the prize reserve are recognized in the period during which the tickets are sold. Prize awards are transferred to the obligation account from the prize reserve when the drawings are held. Other operating expenditures are recognized in the period during which the expenditure is incurred.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
SEPTEMBER 30, 1984
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MOTOR VEHICLE ACCIDENT CLAIMS FUND	SAFETY EDUCATION AND TRAINING FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 93	$ 50	$ -
Equity in Common Cash	3,919	1,565	6,913
Amounts due from other funds	-	18	187
Amounts due from federal agencies	10,207	-	-
Inventories	-	-	-
Other current assets:			
Miscellaneous	279	-	84
Total other current assets	279	-	84
Total Current Assets	14,499	1,633	7,186
Investments	-	-	-
Total Assets	$ 14,499	$ 1,633	$ 7,186
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to Common Cash	$ -	$ -	$ -
Warrants outstanding	734	-	11
Accounts payable and other liabilities	9,489	-	-
Amounts due to other funds	1,101	-	-
Deferred revenue	364	-	-
Total Current Liabilities	11,690	-	11
Long-Term Liabilities:			
Prize awards payable	-	-	-
Total Liabilities	11,690	-	11
Fund Balances:			
Reserves:			
Reserved for encumbrances	431	-	-
Reserved for unencumbered restricted revenue balances (except capital outlay)	2,339	-	-
Reserved for unencumbered capital outlay and work projects	39	-	-
Reserved for prize awards	-	-	-
Total reserves	2,809	-	-
Unreserved	-	1,633	7,174
Total Fund Balances	2,809	1,633	7,174
Total Liabilities and Fund Balances	$ 14,499	$ 1,633	$ 7,186

STATE CONSTRUCTION CODE FUND	MICHIGAN JUSTICE TRAINING FUND	CONSTRUCTION LIEN RECOVERY FUND	STATE LOTTERY FUND	TOTALS	
				SEPTEMBER 30, 1984	SEPEMBER 30, 1983
$ 3	$ -	$ -	$ 1,605	$ 1,752	$ 1,725
867	3,591	2,267	2,115	21,240	22,383
4	-	64	-	274	191
-	-	-	-	10,207	2,601
-	-	-	181	181	269
24	446	-	11,499	12,334	8,927
24	446	-	11,499	12,334	8,927
899	4,037	2,332	15,402	45,991	36,099
-	-	-	50,185	50,185	50,171
$ 899	$ 4,037	$ 2,332	$ 65,587	$ 96,176	$ 86,270
$ -	$ -	$ -	$ -	$ -	$ 8,639
4	-	-	342	1,093	909
-	1,563	-	20,309	31,363	26,109
-	-	-	61	1,163	1,864
-	-	-	5,861	6,225	2,811
4	1,563	-	26,574	39,845	40,334
-	-	-	36,207	36,207	31,104
4	1,563	-	62,782	76,053	71,438
-	-	-	371	802	1,262
-	-	-	-	2,339	199
-	-	-	-	39	39
-	-	-	2,434	2,434	1,831
-	-	-	2,805	5,615	3,332
894	2,473	2,332	-	14,508	11,499
894	2,473	2,332	2,805	20,123	14,831
$ 899	$ 4,037	$ 2,332	$ 65,587	$ 96,176	$ 86,270

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MOTOR VEHICLE ACCIDENT CLAIMS FUND	SAFETY EDUCATION AND TRAINING FUND
REVENUES			
From federal agencies	$ 114,397	$ -	$ -
From licenses and permits	-	-	-
Miscellaneous	40	737	2,910
Total Revenues	114,438	737	2,910
EXPENDITURES			
Current:			
General government	-	-	-
Labor, commerce, and regulatory	136,140	-	-
Capital outlay	-	-	-
Total Expenditures	136,140	-	-
Excess of Revenues over (under) Expenditures	(21,702)	737	2,910
OTHER FINANCING SOURCES (USES)			
Operating transfers in	27,334	-	-
Operating transfers out	(3,797)	(506)	(1,897)
Total Other Financing Sources (Uses)	23,537	(506)	(1,897)
Cumulative Effect of Accounting Change	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes	1,835	231	1,013
Fund Balances - October 1 - as previously reported	973	1,401	6,160
Effect of accounting change	-	-	-
Fund Balances - October 1 - restated	973	1,401	6,160
Fund Balances - September 30	$ 2,809	$ 1,633	$ 7,174

				TOTALS	
				FISCAL YEAR ENDED	
STATE CONSTRUCTION CODE FUND	MICHIGAN JUSTICE TRAINING FUND	CONSTRUCTION LIEN RECOVERY FUND	STATE LOTTERY FUND	SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ -	$ -	$ -	$ 7	$ 114,405	$ 138,488
2,890	-	-	922	3,813	3,361
16	4,495	353	590,412	598,966	566,954
2,907	4,495	353	591,341	717,185	708,804
-	2,766	-	353,326	356,092	338,562
-	-	-	-	136,140	140,664
-	-	-	-	-	4
-	2,766	-	353,326	492,233	479,232
2,907	1,728	353	238,015	224,951	229,571
-	-	-	-	27,334	8,552
(2,415)	(757)	(51)	(237,568)	(246,993)	(236,745)
(2,415)	(757)	(51)	(237,568)	(219,659)	(228,193)
-	-	-	-	-	(1,741)
491	970	301	447	5,292	(363)
402	1,503	2,030	2,358	14,831	13,461
-	-	-	-	-	1,733
402	1,503	2,030	2,358	14,831	15,194
$ 894	$ 2,473	$ 2,332	$ 2,805	$ 20,123	$ 14,831

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMINSTRATION FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			-
From federal agencies	$ 110,200	$ 114,301	$ 4,101
From licenses and permits	-	-	-
Miscellaneous	-	40	40
Total Revenues	110,200	114,342	4,142
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Labor, commerce, and regulatory	138,805	136,475	2,330
Total Expenditures and Encumbrances	138,805	136,475	2,330
Excess of Revenues over (under) Expenditures and Encumbrances	(28,605)	(22,133)	6,472
OTHER FINANCING SOURCES (USES)			
Operating transfers in	17,800	27,334	9,534
Operating transfers out	(3,797)	(3,797)	-
Total Other Financing Sources (Uses)	14,003	23,537	9,534
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (14,602)	1,404	$ 16,006
Reconciling Items:			
Encumbrances at September 30		431	
Net effect of basis differences		-0-	
Net Reconciling Items		431	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		1,835	
FUND BALANCES (GAAP BASIS)			
Beginning balances		973	
Ending balances (GAAP Basis)		$ 2,809	

MOTOR VEHICLE ACCIDENT CLAIMS FUND			SAFETY EDUCATION AND TRAINING FUND			STATE CONSTRUCTION CODE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	3,016	2,890	(126)
600	737	137	2,700	2,910	210	-	16	16
600	737	137	2,700	2,910	210	3,016	2,907	(109)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
600	737	137	2,700	2,910	210	3,016	2,907	(109)
-	-	-	-	-	-	-	-	-
(1,453)	(506)	947	(1,946)	(1,897)	49	(3,016)	(2,415)	601
(1,453)	(506)	947	(1,946)	(1,897)	49	(3,016)	(2,415)	601
$ (853)	231	$ 1,084	$ 754	1,013	$ 259	$ -	491	$ 491
	-			-			-	
	-			-			-	
	-			-			-	
	231			1,013			491	
	1,401			6,160			402	
	$ 1,633			$ 7,174			$ 894	

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - REGULATION AND ADMINISTRATION RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	MICHIGAN JUSTICE TRAINING FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
From federal agencies	$ -	$ -	$ -
From licenses and permits	-	-	-
Miscellaneous	4,800	4,495	(305)
Total Revenues	4,800	4,495	(305)
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	6,242	2,766	3,476
Labor, commerce, and regulatory	-	-	-
Total Expenditures and Encumbrances	6,242	2,766	3,476
Excess of Revenues over (under) Expenditures and Encumbrances	(1,442)	1,729	3,171
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(757)	(757)	-
Total Other Financing Sources (Uses)	(757)	(757)	-
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/ budgetary basis)	$ (2,200)	970	$ 3,170
Reconciling Items:			
Encumbrances at September 30		-	
Net effect of basis differences		-	
Net Reconciling Items		-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		970	
FUND BALANCES (GAAP BASIS)			
Beginning balances		1,503	
Ending balances (GAAP Basis)		$ 2,473	

CONSTRUCTION LIEN RECOVERY FUND			STATE LOTTERY FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ 7	$ 7	$ 110,200	$ 114,309	$ 4,109
-	-	-	1,000	922	(78)	4,016	3,813	(203)
310	353	43	631,000	590,412	(40,588)	639,410	598,966	(40,444)
310	353	43	632,000	591,341	(40,659)	753,626	717,089	(36,537)
-	-	-	353,687	353,687	-	359,930	356,454	3,476
-	-	-	-	-	-	138,805	136,475	2,330
-	-	-	353,687	353,687	-	498,736	492,930	5,806
310	353	43	278,313	237,654	(40,659)	254,890	224,159	(30,731)
-	-	-	-	-	-	17,800	27,334	9,534
(310)	(51)	259	(237,578)	(237,578)	-	(248,859)	(247,003)	1,856
(310)	(51)	259	(237,578)	(237,578)	-	(231,059)	(219,669)	11,390
$ -	301	$ 301	$ 40,735	76	$ (40,659)	$ 23,831	4,490	$ (19,341)
	-			371			802	
	-			-			-0-	
	-			371			802	
	301			447			5,292	
	2,030			2,358			14,831	
	$ 2,332			$ 2,805			$ 20,123	

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STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - STATE AUTHORITIES

FISCAL YEARS ENDED - 1984

STATE BUILDING AUTHORITY

The State Building Authority of the State of Michigan was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition of buildings for use by the State or public institutions of higher education. The five members of the Authority are appointees of the Governor. Authority projects which are not completed are reflected in a special revenue fund, completed projects are in a debt service fund, and bonds payable are reported in the general long-term obligations account group.

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY

Public Act 295 of 1969, as amended, authorized the Michigan Higher Education Facilities Authority for the purpose of assisting institutions of higher education in financing their facilities. Reflected herein is the financing provided through services to the institutions and expenditures related to trustee fees. Because of the limited activity of this authority, administrative costs are absorbed by a portion of a General Fund appropriation within the Department of Education.
The Authority consists of an eleven member commission, nine of whom are appointed by the Governor with the advice and consent of the Senate and two of whom are ex officio (the Superintendent of Public Instruction and Director of the Department of Management and Budget).

MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY

The Michigan Family Farm Development Authority was created by P.A. 220, of 1982 to assist beginning farmers in financing the purchase of agricultural land and equipment. Members of the Authority are appointed by the Governor.

MICHIGAN JOB DEVELOPMENT AUTHORITY

The Michigan Job Development Authority was organized under P.A. 301 of 1975, as amended to alleviate and prevent unemployment in Michigan by assisting industrial business enterprises in obtaining financing for capital improvements. Members of the Authority are appointed by the Governor.

MACKINAC BRIDGE AUTHORITY

The Authority was created by Act 21, P.A. 1950. Act 214, P.A. 1952, as amended, empowered the Authority to construct and operate a bridge extending from the lower peninsula of Michigan to the upper peninsula. Financing for the operation and maintenance of the bridge is provided by fares, earnings on investments, and transfers from the Michigan Transportation Fund and the State Trunkline Fund as appropriated by the Legislature. Debt service transactions are reflected in a debt service fund and bonds payable are recorded in the general long-term obligations account group.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - STATE AUTHORITIES - GOVERNMENTAL
1984
(In Thousands)

	STATE BUILDING AUTHORITY SEPTEMBER 30	MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY SEPTEMBER 30	MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY SEPTEMBER 30
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 18	$ 43
Amounts due from local units	-	37	-
Investments	61,017	-	-
Other current assets:			
Interest receivable on investments	4,762	-	-
Miscellaneous	-	6	-
Total other current assets	4,762	6	-
Total Current Assets	65,780	62	43
Investments	123,131	-	-
Total Assets	$ 188,912	$ 62	$ 43
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and other liabilities	$ 14,123	$ 1	$ -
Amounts due to other funds	5,293	-	19
Deferred revenue	-	-	-
Total Current Liabilities	19,416	1	19
Total Liabilities	19,416	1	19
Fund Balances:			
Reserves:			
Reserved for future construction and debt retirement	169,496	-	-
Total reserves	169,496	-	-
Unreserved	-	61	24
Total Fund Balances	169,496	61	24
Total Liabilities and Fund Balances	$ 188,912	$ 62	$ 43

MICHIGAN JOB DEVELOPMENT AUTHORITY SEPTEMBER 30	MACKINAC BRIDGE AUTHORITY JUNE 30	TOTALS	
		1984	1983 (RESTATED)
$ 25	$ 311	$ 399	$ 206
-	-	37	16
731	1,265	63,015	88,805
-	-	4,762	4,244
23	41	71	49
23	41	4,834	4,294
780	1,619	68,286	93,322
-	-	123,131	70,820
$ 780	$ 1,619	$ 191,418	$ 164,143
$ -	$ 286	$ 14,411	$ 11,663
-	-	5,312	3,415
-	58	58	50
-	345	19,783	15,128
-	345	19,783	15,128
-	759	170,255	148,398
-	759	170,255	148,398
780	513	1,379	615
780	1,273	171,635	149,014
$ 780	$ 1,619	$ 191,418	$ 164,143

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - STATE AUTHORITIES
FISCAL YEARS ENDED 1984
(In Thousands)

	STATE BUILDING AUTHORITY SEPTEMBER 30	MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY SEPTEMBER 30	MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY SEPTEMBER 30
REVENUES			
From services	$ -	$ 22	$ 57
From licenses and permits	-	-	-
Miscellaneous	19,557	2	1
Total Revenues	19,557	25	58
EXPENDITURES			
Current:			
General government	61	-	-
Education	63,594	4	-
Conservation, recreation, and agriculture	-	-	110
Labor, commerce, and regulatory	-	-	-
Transportation	-	-	-
Capital outlay	3,597	-	-
Total Expenditures	67,253	4	110
Excess of Revenues over (under) Expenditures	(47,696)	20	(51)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	101,684	-	-
Operating transfers in	-	-	73
Operating transfers out	(32,300)	-	-
Total Other Financing Sources (Uses)	69,383	-	73
Cumulative Effect of Accounting Change	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Change	21,687	20	22
Fund Balances - beginning of fiscal year as previously reported	-	-	-
Effect of accounting change	147,808	40	1
Fund Balances - beginning of fiscal year - restated	147,808	40	1
Fund Balances - end of fiscal year	$ 169,496	$ 61	$ 24

MICHIGAN JOB DEVELOPMENT AUTHORITY SEPTEMBER 30	MACKINAC BRIDGE AUTHORITY JUNE 30	TOTALS	
		FISCAL YEARS ENDED	
		1984	1983 (RESTATED)
$ 780	$ -	$ 861	$ 174
-	4,631	4,631	4,374
54	110	19,725	14,837
835	4,742	25,219	19,385
-	-	61	107
-	-	63,599	75,777
-	-	110	59
416	-	416	260
-	2,263	2,263	2,620
-	-	3,597	4,255
416	2,263	70,047	83,078
419	2,479	(44,828)	(63,692)
-	-	101,684	245,473
-	3,917	3,990	10,100
(109)	(5,875)	(38,285)	(38,408)
(109)	(1,958)	67,389	217,164
60	-	60	-
369	520	22,621	153,472
-	-	-0-	-0-
410	753	149,014	(4,458)
410	753	149,014	(4,458)
$ 780	$ 1,273	$ 171,635	$ 149,014

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - OTHER

FISCAL YEARS ENDED - 1984

COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

This fund was created by P.A. 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession and high unemployment. In general, transfers are made from the General Fund during improving economic times. Funds flow from this fund to the General Fund in time of declining economy.

Amounts transferred to the fund are limited to actual appropriations made annually by the Legislature. Such appropriations may be based on a formula that is dependent on the annual growth rate as defined by the statute.

Transfers from the fund are based upon a formula which is dependent upon unemployment rates; however, under certain conditions the Legislature may override the formula and make appropriations from the fund. In the event that the fund balance at year end exceeds 25% of the actual General Fund general purpose revenue for the fiscal year, the law provides that the excess be rebated on the individual income tax returns filed in the following fiscal year.

The fund has no balances when reported in accordance with generally accepted accounting principles (G.A.A.P.) and therefore, there are no G.A.A.P. based statements in this report.

MICHIGAN VETERANS' BENEFIT (TRUST) FUND

This fund was created by P.A. 9 of 1946 (First Extra Session). The purpose of the fund is to account for the earnings of the fund, consisting primarily of interest earned on a $50.0 million trust corpus, and the distribution of such earnings to veterans and their beneficiaries for various assistance programs and for the administrative costs of the fund. The trust corpus has periodically, by statute, been transferred (in 1959 and 1976) to the General Fund. The statutes authorizing these transfers have provided for an annual repayment schedule from the General Fund so that the principal is restored and the annual operating needs of the trust fund are met. The fund is administered by a six member board of trustees.

SCHOOL AID FUND

This fund was created in 1955 by an amendment to the 1908 Constitution. Its continued existence was provided for by the 1963 Constitution. Its purpose is to furnish aid to school districts and school employees'-retirement. Financing is provided by the constitutional dedication of sixty percent of total State sales tax revenue and statutory levies of a one mill cigarette tax and a four percent liquor excise tax, and an annual transfer from the General Fund, and as of May 13, 1981 a transfer from the State Lottery Fund equal to the net revenue remaining after allocation for prize awards and encumbrances. Payments of aid to school districts are based on a statutory formula which provides that if dedicated tax revenues are not sufficient, the deficiency is to be appropriated from the Genral Fund.

VIETNAM VETERAN ERA BONUS FUND

This fund was established by P.A. 370 of 1974, as amended, to account for the proceeds of $205 million authorized general obligation bonds approved by the people in November, 1974, to provide a service bonus to veterans, or their beneficiaries, who served in the armed forces of the United States between January 1, 1961 and September 1, 1973. Applications for benefits under this act were to be filed or received before September 30, 1980. Administrative costs for processing all bonus payments are in the General Fund.

SCHOOL BOND LOAN FUND

The 1963 Constitution (Art. IX, Sec. 16) and P.A. 74 of 1955 authorized the issuance of State bonds to provide funds for making loans to school districts for the payment of principal and interest on school bonds under prescribed circumstances. The proceeds of State borrowing are credited to the School Bond Loan Fund and loans to school districts are made from the fund.

CHILDREN'S TRUST FUND

The Children's Trust Fund was established by P.A. 249 of 1982 to support the State Child Abuse and Neglect Prevention Board. Established under P.A. 250 of 1982, the purpose of the board is to coordinate and fund child abuse and neglect prevention activities in the State.

Funding is derived from taxpayer designation of a portion of the tax refund on the individual's income tax return and from gifts. When the total assets of the fund exceed $20 million, the earnings credited to the fund will be available for disbursement. Until that time, the amount available for disbursement is limited to 1/2 of the current collections and the earnings credited to the fund in the previous year.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - OTHER
SEPTEMBER 30, 1984
(In Thousands)

	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND	VIETNAM VETERAN ERA BONUS FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1	$ -	$ -
Equity in Common Cash	15,260	-	1,545
Taxes, interest, and penalties receivable (at net)	-	93,645	-
Amounts due from other funds	588	16,124	-
Amounts due from federal agencies	-	28	-
Amounts due from local units	522	13,635	-
Other current assets:			
Miscellaneous	54	-	-
Total other current assets	54	-	-
Total Current Assets	16,427	123,435	1,545
Taxes, interest, and penalties receivable (at net)	-	3,296	-
Amounts due from other funds	2,446	-	-
Amounts due from local units	-	2,311	-
Total Assets	$ 18,873	$ 129,043	$ 1,545
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to Common Cash	$ -	$ 121,896	$ -
Warrants outstanding	22	65	-
Accounts payable and other liabilities	251	312	1,081
Amounts due to other funds	-	-	-
Deferred revenue	-	1,161	-
Total Current Liabilities	274	123,435	1,082
Long-Term Liabilities:			
Deferred revenue	-	3,296	-
Total Liabilities	274	126,731	1,082
Fund Balances:			
Reserves:			
Reserved for encumbrances	-	-	-
Reserved for unencumbered restricted revenue balances (except capital outlay)	366	-	-
Reserved for noncurrent assets	2,596	2,311	-
Reserved for balance held in a trust capacity	13,715	-	-
Total reserves	16,677	2,311	-
Unreserved	1,921	-	462
Total Fund Balances	18,598	2,311	462
Total Liabilities and Fund Balances	$ 18,873	$ 129,043	$ 1,545

SCHOOL BOND LOAN FUND	CHILDREN'S TRUST FUND	TOTALS	
		SEPTEMBER 30, 1984	SEPTEMBER 30, 1983 (RESTATED)
$ -	$ 2	$ 3	$ 1
3,093	924	20,824	18,102
-	-	93,645	87,304
-	26	16,739	8,874
-	-	28	28
-	-	14,158	19,135
-	-	54	67
-	-	54	67
3,093	953	145,454	133,513
-	-	3,296	2,689
-	-	2,446	2,576
-	-	2,311	5,130
$ 3,093	$ 953	$ 153,508	$ 143,909
$ -	$ -	$ 121,896	$ 113,402
-	11	99	368
-	2	1,648	2,205
-	-	-	1
-	-	1,161	-
-	15	124,807	115,977
-	-	3,296	3,693
-	15	128,103	119,671
-	-	-	4
3,093	-	3,459	5,822
-	-	4,907	6,702
-	638	14,353	9,834
3,093	638	22,720	22,364
-	299	2,683	1,874
3,093	938	25,404	24,238
$ 3,093	$ 953	$ 153,508	$ 143,909

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - OTHER
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND	VIETNAM VETERAN ERA BONUS FUND
REVENUES			
Taxes	$ -	$ 1,238,289	$ -
From federal agencies	-	32,885	-
From local agencies	-	733	-
Miscellaneous	1,489	-	-
Total Revenues	1,489	1,271,908	-
EXPENDITURES			
Current:			
General government	4,036	-	-
Education	-	1,953,207	-
Total Expenditures	4,036	1,953,207	-
Excess of Revenues over (under) Expenditures	(2,546)	(681,298)	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	8,243	679,495	-
Operating transfers out	(983)	(11)	-
Total Other Financing Sources (Uses)	7,259	679,483	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	4,712	(1,814)	-
Fund Balances - October 1	13,886	4,126	462
Fund Balances - September 30	$ 18,598	$ 2,311	$ 462

SCHOOL BOND LOAN FUND	CHILDREN'S TRUST FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1984	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1983
$ -	$ -	$ 1,238,289	$ 1,095,708
-	-	32,885	31,434
-	-	733	-
-	703	2,193	3,186
-	703	1,274,101	1,130,329
-	415	4,452	5,967
2,017	-	1,955,224	1,711,675
2,017	415	1,959,676	1,717,642
(2,017)	287	(685,575)	(587,312)
-	-	687,738	589,908
-	(2)	(997)	(718)
-	(2)	686,740	589,189
(2,017)	284	1,165	1,877
5,110	653	24,238	22,361
$ 3,093	$ 938	$ 25,404	$ 24,238

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - OTHER
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From local agencies	-	-	-
Miscellaneous	300	348	43
Total Revenues	300	348	48
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	-	-	-
Total Expenditures and Encumbrances	-	-	-
Excess of Revenues over (under) Expenditures and Encumbrances	300	348	48
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/ budgetary basis)	$ 300	348	$ 48
Reconciling Items:			
Net effect of basis differences		(348)	
Net Reconciling Items		(348)	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		-	
FUND BALANCES (GAAP BASIS)			
Beginning balances		-0-	
Ending balances (GAAP Basis)		$ -0-	

MICHIGAN VETERANS' BENEFIT (TRUST) FUND			SCHOOL AID FUND			VIETNAM VETERAN ERA BONUS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 1,214,400	$ 1,238,289	$ 23,889	$ -	$ -	$ -
-	-	-	35,000	32,885	(2,115)	-	-	-
-	-	-	-	733	733	-	-	-
800	1,489	689	-	-	-	-	-	-
800	1,489	689	1,249,400	1,271,908	22,508	-	-	-
4,503	4,036	467	-	-	-	-	-	-
-	-	-	1,945,537	1,953,207	(7,670)	-	-	-
4,503	4,036	467	1,945,537	1,953,207	(7,670)	-	-	-
(3,703)	(2,546)	1,157	(696,137)	(681,299)	14,838	-	-	-
7,900	8,243	343	710,600	679,495	(31,105)	-	-	-
(1,009)	(983)	26	(11)	(11)	-	-	-	-
6,890	7,259	369	710,589	679,483	(31,105)	-	-	-
$ 3,187	4,712	$ 1,525	$ 14,452	(1,814)	$ (16,266)	$ -	-	$ -
	-			-			-	
	-			-			-	
	4,712			(1,814)			-	
	13,886			4,126			462	
	$ 18,598			$ 2,311			$ 462	

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - OTHER (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	SCHOOL BOND LOAN FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From local agencies	-	-	-
Miscellaneous	-	-	-
Total Revenues	-	-	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	5,110	2,017	3,093
Total Expenditures and Encumbrances	5,110	2,017	3,093
Excess of Revenues over (under) Expenditures and Encumbrances	(5,110)	(2,017)	3,093
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/ budgetary basis)	$ (5,110)	(2,017)	$ 3,093
Reconciling Items:			
Net effect of basis differences		-	
Net Reconciling Items		-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(2,017)	
FUND BALANCES (GAAP BASIS)			
Beginning balances		5,110	
Ending balances (GAAP Basis)		$ 3,093	

CHILDREN'S TRUST FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 1,214,400	$ 1,238,289	$ 23,889
-	-	-	35,000	32,885	(2,115)
-	-	-	-	733	733
4,689	703	(3,986)	5,789	2,541	(3,248)
4,689	703	(3,986)	1,255,189	1,274,449	19,260
682	415	267	5,186	4,452	734
-	-	-	1,950,647	1,955,224	(4,577)
682	415	267	1,955,833	1,959,676	(3,843)
4,007	287	(3,720)	(700,644)	(685,227)	15,417
-	-	-	718,500	687,738	(30,762)
(2)	(2)	-	(1,024)	(997)	27
(2)	(2)	-	717,476	686,740	(30,736)
$ 4,004	284	$ (3,720)	$ 16,832	1,514	$ (15,318)
	-			(348)	
	-			(348)	
	284			1,165	
	653			24,238	
	$ 938			$ 25,404	

STATE OF MICHIGAN

DESCRIPTIONS OF DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1984

WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND

P.A. 329 of 1966 established this fund to account for retiring bond issues of the Water Pollution Control Bond Fund and State Sewer Construction Fund. The Legislature appropriates funds from the General Fund to meet the bond principal and interest requirements and paying agent fees.

PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 108 of 1969 and services bond issues of the Public Recreation Bond Fund. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND

Created by P.A. 370 of 1974, the purpose of this fund is to account for the debt service of general obligation bonds which were issued to finance bonuses paid to veterans or their beneficiaries. Financing is provided by an annual appropriation in the General Fund.

COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, and services bond issues of the Comprehensive Transportation Bond Construction Fund. Financing of debt service requirements is provided by an annual appropriation in the Comprehensive Transportation Fund.

1983 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, and services bond issues of the 1983 State Trunkline Fund Bond Proceeds Fund. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

1984 COMPREHENSIVE BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, and services bond issues of the 1984 Comprehensive Transportation Bond Proceeds Fund. Financing of debt service requirements is provided by an annual appropriation in the Comprehensive Transportation Fund.

1984 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, and services bond issues of the 1984 State Trunkline Fund Bond Proceeds Fund. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND -- SERIES II THRU IX

P.A. 51 of 1951, as amended, created the authority to establish this fund. The various series were issued in varying amounts during the period from July, 1959 to July, 1962. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

SCHOOL LOAN BOND REDEMPTION FUND

P.A. 74 of 1955 established this fund. Monies in this fund are utilized for payment of interest and redemption of bonds issued to provide financing for loans to school districts. Funding is furnished by an annual appropriation from the General Fund and/or repayments of loans by school districts.

STATE OF MICHIGAN

DESCRIPTIONS OF DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1984

EXPRESSWAY BOND AND INTEREST REDEMPTION FUND

The State Treasurer is Fiscal Agent to the Department of Transportation and certain local units of government for funds constructing expressways and for servicing bonds issued for that purpose. In summary form, this fund presents the position of several expressway serial bond issues. Resources to finance the requirements for bond interest and redemption are provided by periodic payments from participating parties, earnings on investments, and operating transfers from other State funds.

STATE PARK REVENUE BOND FUND

This fund was created pursuant to P.A. 149 of 1960 which initiated a State park improvement program by authorizing the Department of Natural Resources to issue up to $10 million of revenue dedicated bonds to finance land acquisition, construction, and improvement of State parks. P.A. 286 of 1967 increased the authorized amount of such bonds to $20 million.

P.A. 149 of 1960 as amended, also provides that park permit fees for motor vehicle entry into certain State parks be deposited with the State Treasurer who is designated as fiscal agent. Such proceeds are to be allocated in the following order of priority: debt service requirements, fiscal agent expenses, bond reserve, operations and park improvements as appropriated by the Legislature.

STATE BUILDING AUTHORITY

The State Building Authority of the State of Michigan was credited pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition of buildings for use by the State or public institutions of higher education. Resources to finance the requirements for bond interest and redemption are provided by investment revenue and operating transfers from the authority's special revenue fund. Construction projects which are in process are reported in a special revenue fund, balances related to completed projects are reported in a debt service fund, and bonds payable are included in the general long-term obligations account group.

MACKINAC BRIDGE AUTHORITY

The Mackinac Bridge Authority was created by P.A. 21 of 1950. Public Act 214 of 1952, as amended, empowered the Authority to construct and operate a bridge extending from the lower peninsula of Michigan to the upper peninsula. Financing for the construction of the bridge was provided by the issuance of $79.8 million of Series A bonds and $20.0 million of Series B bonds, both issued in 1954. Resources to finance the requirements for bond interest and redemption are earnings on investments and operating transfers from the Authority's special revenue fund. The ongoing operations of the Authority are reported in a special revenue fund and bonds payable are reflected in the general long-term obligations account group.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
1984
(In Thousands)

	COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	1983 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	1984 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND SERIES II-IX SEPTEMBER 30
ASSETS				
Current Assets:				
Cash and cash equivalents...........	$ -	$ -	$ -	$ -
Equity in Common Cash...............	138	47	280	1,538
Amounts due from other funds........	-	-	8	-
Investments.........................	-	-	-	-
Other current assets:				
Cash with fiscal agent............	-	-	-	-
Interest receivable on investments	-	-	-	-
Miscellaneous.....................	-	-	-	-
Total other current assets.........	-	-	-	-
Total Current Assets...............	138	47	288	1,538
Investments.........................	-	-	-	-
Total Assets......................	$ 138	$ 47	$ 288	$ 1,538
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and other liabilities......................	$ -	$ -	$ -	$ 1,538
Amounts due to other funds..........	8	-	-	-
Total Current Liabilities..........	8	-	-	1,538
Total Liabilities..................	8	-	-	1,538
Fund Balances:				
Reserves:				
Reserved for unencumbered restricted revenue balances (except capital outlay).........	-	-	-	-
Reserved for noncurrent assets....	-	-	-	-
Total reserves....................	-	-	-	-
Unreserved..........................	130	46	288	-
Total Fund Balances...............	130	46	288	-0-
Total Liabilities and Fund Balances........................	$ 138	$ 47	$ 288	$ 1,538

SCHOOL LOAN BOND REDEMPTION FUND SEPTEMBER 30	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	STATE PARK REVENUE BOND FUND SEPTEMBER 30	STATE BUILDING AUTHORITY SEPTEMBER 30	MACKINAC BRIDGE AUTHORITY JUNE 30	TOTALS	
					1984	1983 (RESTATED)
$ -	$ -	$ -	$ 2,315	$ 19	$ 2,335	$ 1,247
3,132	-	-	-	-	5,137	10,646
-	-	44	1,672	-	1,724	3,692
-	104	2,945	14,059	2,522	19,631	44,096
-	59	325	-	-	384	258
-	-	-	1,336	-	1,336	1,010
-	-	-	-	-	-	8
-	59	325	1,336	-	1,720	1,277
3,132	163	3,314	19,383	2,541	30,549	60,960
-	-	418	53,600	-	54,018	26,878
$ 3,132	$ 163	$ 3,733	$ 72,983	$ 2,541	$ 84,568	$ 87,839
$ -	$ 20	$ -	$ 115	$ -	$ 1,675	$ 3,085
-	9	1	2,232	-	2,252	136
-	30	1	2,347	-	3,927	3,222
-	30	1	2,347	-	3,927	3,222
-	-	741	-	-	741	435
-	-	418	-	-	418	491
-	-	1,160	-	-	1,160	927
3,132	133	2,571	70,636	2,541	79,479	83,689
3,132	133	3,732	70,636	2,541	80,639	84,616
$ 3,132	$ 163	$ 3,733	$ 72,983	$ 2,541	$ 84,568	$ 87,839

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FISCAL YEARS ENDED 1984
(In Thousands)

	WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND SEPTEMBER 30
REVENUES			
From local agencies	$ -	$ -	$ -
From licenses and permits	-	-	-
Miscellaneous	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Debt Service:			
Principal retirement	11,000	4,000	26,000
Interest and fiscal charges	5,685	514	6,168
Total Expenditures	16,685	4,514	32,168
Excess of Revenues over (under) Expenditures	(16,685)	(4,514)	(32,168)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	16,685	4,514	32,168
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	16,685	4,514	32,168
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	-
Fund Balances - Beginning of fiscal year as previously reported	-0-	-0-	-0-
Effect of Accounting Change	-	-	-
Fund Balances - Beginning of fiscal year - restated	-0-	-0-	-0-
Fund Balances - End of Fiscal Year	$ -0-	$ -0-	$ -0-

COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	1983 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	1984 COMPREHENSIVE BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	1984 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND SERIES II THRU IX SEPTEMBER 30
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	34	-	288	-
-	34	-	288	-
-	-	-	-	-
2,100	-	-	-	14,655
14,029	10,695	3,145	-	1,525
16,129	10,695	3,145	-	16,180
(16,128)	(10,660)	(3,145)	288	(16,180)
16,129	10,694	3,145	-	16,180
-	-	-	-	-
16,128	10,694	3,145	-	16,180
-	33	-	288	-
130	12	-0-	-0-	-0-
-	-	-	-	-
130	12	-0-	-0-	-0-
$ 130	$ 46	$ -0-	$ 288	$ -0-

This statement continued on next page.

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS (Continued)
FISCAL YEARS ENDED 1984
(In Thousands)

	SCHOOL LOAN BOND REDEMPTION FUND SEPTEMBER 30	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND SEPTEMBER 30	STATE PARK REVENUE BOND FUND SEPTEMBER 30
REVENUES			
From local agencies......................	$ 6,908	$ 324	$ -
From licenses and permits................	-	-	4,972
Miscellaneous............................	-	1,254	427
Total Revenues........................	6,908	1,579	5,399
EXPENDITURES			
Current:			
General government......................	-	150	-
Debt Service:			
Principal retirement....................	9,000	7,305	705
Interest and fiscal charges.............	2,736	190	708
Total Expenditures....................	11,736	7,645	1,413
Excess of Revenues over (under) Expenditures........................	(4,828)	(6,066)	3,986
OTHER FINANCING SOURCES (USES)			
Operating transfers in..................	-	757	-
Operating transfers out.................	-	(471)	(3,763)
Total Other Financing Sources (Uses)...	-	285	(3,763)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses...........................	(4,828)	(5,780)	222
Fund Balances - Beginning of fiscal year as previously reported...................	7,960	5,913	3,509
Effect of Accounting Change................	-	-	-
Fund Balances - Beginning of fiscal year - restated..........................	7,960	5,913	3,509
Fund Balances - End of Fiscal Year.........	$ 3,132	$ 133	$ 3,732

STATE BUILDING AUTHORITY SEPTEMBER 30	MACKINAC BRIDGE AUTHORITY JUNE 30	TOTALS FISCAL YEARS ENDED 1984	1983 (RESTATED)
$ -	$ -	$ 7,233	$ 13,956
-	-	4,972	4,718
5,268	213	7,488	8,823
5,268	213	19,693	27,498
-	-	150	-
6,450	5,706	86,921	89,484
51,525	785	97,711	68,630
57,975	6,491	184,782	158,114
(52,706)	(6,278)	(165,088)	(130,615)
59,196	5,875	165,348	153,239
-	-	(4,236)	(10,723)
59,196	5,875	161,112	142,516
6,489	(402)	(3,976)	11,900
-	-	17,526	21,771
64,146	2,944	67,090	50,944
64,146	2,944	84,616	72,716
$ 70,636	$ 2,541	$ 80,639	$ 84,616

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	OVERSIGHT ENTITY FUNDS		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
From local agencies	$ 10,848	$ 7,233	$ (3,615)
From licenses and permits	4,972	4,972	-
Miscellaneous	1,682	2,006	323
Total Revenues	17,503	14,211	(3,291)
EXPENDITURES			
Current:			
General government	150	150	-
Debt Service:			
Principal retirement	74,765	74,765	-
Interest and fiscal charges	45,579	45,399	179
Total Expenditures	120,494	120,314	179
Excess of Revenues over (under) Expenditures	(102,990)	(106,103)	(3,112)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	105,837	100,275	(5,561)
Operating transfers out	(4,236)	(4,236)	-
Total Other Financing Sources (Uses)	101,601	96,039	(5,561)
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (1,389)	(10,063)	$ (8,674)
Reconciling Items:			
Nonappropriated activities		-	
Net Reconciling Items		-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(10,063)	
FUND BALANCES (GAAP BASIS)			
Beginning balances previously reported		17,526	
Effect of accounting change		-	
Beginning balances - restated		17,526	
Ending balances (GAAP Basis)		$ 7,462	

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*The component units, for which appropriated budget data is not available, are for activities related to the State Building Authority and Mackinac Bridge Authority.

COMPONENT UNITS*			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 10,848	$ 7,233	$ (3,615)
-	-	-	4,972	4,972	-
-	-	-	1,682	2,006	323
-	-	-	17,503	14,211	(3,291)
-	-	-	150	150	-
-	-	-	74,765	74,765	-
-	-	-	45,579	45,399	179
-	-	-	120,494	120,314	179
-	-	-	(102,990)	(106,103)	(3,112)
-	-	-	105,837	100,275	(5,561)
-	-	-	(4,236)	(4,236)	-
-	-	-	101,601	96,039	(5,561)
$ -	-	$ -	$ (1,389)	(10,063)	$ (8,674)
	6,085			6,085	
	6,085			6,085	
	6,085			(3,976)	
	-0-			17,526	
	67,090			67,090	
	67,090			84,616	
	$ 73,175			$ 80,639	

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STATE OF MICHIGAN

DESCRIPTIONS OF CAPITAL PROJECTS FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1984

PUBLIC RECREATION BOND FUND

This fund was established by P.A. 108 of 1969 to account for the proceeds of $100.0 million general obligation public recreation bonds approved by the people in November, 1968. This approval was pursuant to Section 15, Article IX, of the 1963 Constitution and P.A. 257 of 1968.

P.A. 108 of 1969 also allocated $30.0 million for grants to local units for local community recreational projects and the balance of $70.0 million to the Department of Natural Resources to fund the State's recreation program.

DETROIT X-WAY CONSTRUCTION FUND

This fund was established by the Fiscal Agent to account for transactions relating to the 1959 contract between the Department of Transportation and the local units for the construction of expressways. The money in this fund was held in a segregated depository. Investments in securities were made separately for the fund. Costs of the limited access highways constructed under the joint effort have been financed by the proceeds from the sale of dedicated tax bonds, federal aid, and contributions from the participating parties. The last of the outstanding project bonds were redeemed during the 1983-84 fiscal year.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 1984
(In Thousands)

	PUBLIC RECREATION BOND FUND	DETROIT X-WAY CONSTRUCTION FUND	TOTALS	
			SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Equity in Common Cash	$ 947	$ -	$ 947	$ 2,181
Amounts due from federal agencies	49	471	521	631
Investments	-	19,230	19,230	17,333
Other current assets:				
Cash with fiscal agent	-	32	32	62
Land contracts outstanding	-	63	63	76
Total other current assets	-	96	96	139
Total Current Assets	996	19,798	20,795	20,286
Total Assets	$ 996	$ 19,798	$ 20,795	$ 20,286
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	$ -	$ -	$ -	$ 26
Accounts payable and other liabilities	2	514	517	156
Amounts due to other funds	-	1	1	113
Deferred revenue	-	-	-	76
Total Current Liabilities	2	516	519	373
Total Liabilities	2	516	519	373
Fund Balances:				
Reserves:				
Reserved for encumbrances	140	-	140	791
Reserved for unencumbered capital outlay	834	-	834	1,295
Total reserves	974	-	974	2,086
Unreserved	19	19,281	19,301	17,826
Total Fund Balances	994	19,281	20,275	19,912
Total Liabilities and Fund Balances	$ 996	$ 19,798	$ 20,795	$ 20,286

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	PUBLIC RECREATION BOND FUND	DETROIT X-WAY CONSTRUCTION FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1984	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1983
REVENUES				
From federal agencies	$ 32	$ 64	$ 96	$ 3,359
Miscellaneous	-	2,126	2,126	2,248
Total Revenues	32	2,191	2,223	5,607
EXPENDITURES				
Current:				
Conservation, recreation, and agriculture	37	-	37	-
Transportation	-	-	-	2
Capital outlay	328	670	999	4,993
Total Expenditures	366	670	1,036	4,995
Excess of Revenues over (under) Expenditures	(333)	1,520	1,186	612
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(824)	-	(824)	(79)
Total Other Financing Sources (Uses)	(824)	-	(824)	(79)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,157)	1,520	362	532
Fund Balances - October 1	2,152	17,760	19,912	19,380
Fund Balances - September 30	$ 994	$ 19,281	$ 20,275	$ 19,912

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	PUBLIC RECREATION BOND FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
From federal agencies	$ -	$ 32	$ 32
Miscellaneous	-	-	-
Total Revenues	-	32	32
EXPENDITURES AND ENCUMBRANCES			
Current:			
Conservation, recreation, and agriculture	-	37	(37)
Capital outlay	488	468	20
Total Expenditures and Encumbrances	488	506	(18)
Excess of Revenues over (under) Expenditures and Encumbrances	(488)	(473)	15
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(824)	(824)	-
Total Other Financing Sources (Uses)	(824)	(824)	-
Revenues and Other Sources over (under) Expenditures, Encumbrances and Other Uses (Statutory/budgetary basis)	$ (1,312)	(1,297)	$ 15
Reconciling Items:			
Encumbrances at September 30		140	
Net Reconciling Items		140	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes (GAAP Basis)		(1,157)	
FUND BALANCES (GAAP BASIS)			
Beginning balances.		2,152	
Ending balances (GAAP Basis)		$ 994	

DETROIT X-WAY CONSTRUCTION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ 64	$ 64	$ -	$ 96	$ 96
-	2,126	2,126	-	2,126	2,126
-	2,191	2,191	-	2,223	2,223
-	-	-	-	37	(37)
670	670	-	1,158	1,138	20
670	670	-	1,158	1,176	(18)
(670)	1,520	2,191	(1,158)	1,046	2,204
-	-	-	(824)	(824)	-
-	-	-	(824)	(824)	-
$ (670)	1,520	$ 2,191	$ (1,982)	222	$ 2,204
	-			140	
	-			140	
	1,520			362	
	17,760			19,912	
	$ 19,281			$ 20,275	

STATE OF MICHIGAN

DESCRIPTIONS OF ENTERPRISE FUNDS

FISCAL YEARS ENDED 1984

LIQUOR PURCHASE REVOLVING FUND

The Liquor Purchase Revolving Fund was authorized by P.A. 259 of 1941. Under State monopoly, liquor is sold at retail or wholesale in State liquor stores and through specially designated distributors. The fund accounts for the sales of and the replenishing and transportation of the liquor stock into the various State liquor stores. Administrative, warehousing, and merchandising costs are appropriated in the General Fund with expenditure reimbursement treatment provided so that the expense could be recorded in the Liquor Purchase Revolving Fund.

The free-cash balance of the fund, as defined by statute, has been transferred to the General Fund at the end of each fiscal year. In future years, the net income of the fund will be transferred to the General Fund.

MICHIGAN STATE FAIR REVOLVING FUND

This fund was created by Public Act 224 of 1962, which placed the fund under management of the Michigan State Fair Authority. P.A. 361 of 1978 abolished the Authority and transferred responsibility for the fair and the fund's management to the Department of Natural Resources.

The Department of Natural Resources has jurisdiction over the Michigan State Fair grounds in Detroit. Fund revenues are derived from the operation of the annual State Fair and other exhibits or events, leases, rentals or other charges for use of the buildings and grounds scheduled during the year.

The free-cash balance of the fund, as defined by statute, has been transferred to the General Fund at the end of each fiscal year, while any deficit has been made up by the General Fund. In future years, the net income of the fund will be transferred to the General Fund.

DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND

P.A. 107 of 1979 provided for creation of a fund to account for the revenues and costs incurred in the publication of the department's magazine, publications, and related materials. Prior to the creation of this fund, these activities had been recorded as restricted revenue operations in the General Fund.

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

The Authority was organized under Public Act 38 of 1969, as amended, to lend money to nonprofit, nonpublic hospitals for capital improvements or debt refinancing. The Act also empowers the Authority to sell bonds and to enter into loan and other agreements to obtain the necessary funds for such loans. The Authority is comprised of seven members including a chairperson and four public members appointed by the Governor with the advice and consent of the Senate, and two members ex officio (the State Treasurer and the Director of the Department of Public Health).

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

Public Act 222 of 1975, as amended, authorized the establishment of the Michigan Higher Education Student Loan Authority within the Department of Education, for the purpose of making loans to qualified students attending participating institutions of higher education. Under a guarantee agreement entered into with the Michigan Higher Education Assistance Authority, all student loans are guaranteed as to 100% of principal and interest. The Authority may issue revenue-dedicated debt in the principal amounts necessary to provide funds for achieving its purpose. The Authority is governed by the sixteen members of the Michigan Higher Education Assistance Authority who are appointed by the Governor with the consent of the Senate. The Superintendent of Public Instruction, an ex officio member, serves as chairman.

MACKINAC ISLAND STATE PARK COMMISSION

The Mackinac Island State Park Commission was established by P.A. 355 of 1927. It consists of seven members who are appointed by the Governor with the advice and consent of the Senate. The Commission is responsible for the management of the Mackinac Island and Michilimackinac State Parks and has the authority to issue revenue-dedicated bonds.

MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY

The Michigan Economic Development Authority was created by P.A. 70 of 1982 to encourage economic development in the State. The Authority is authorized to issue limited obligation debt and to provide or insure loans to finance development projects. The Authority also receives certain oil and gas related revenues received through the Heritage Trust Fund (an agency fund). Part of those revenues are used for research center grants. Members of the Authority are appointees of the Governor.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

The Michigan State Housing Development Authority was created by P.A. 346 of 1966, as amended, to issue notes and bonds to finance housing for sale or rental to families with low and moderate incomes and to finance home improvements. Members of the Authority are appointed by the Governor.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
1984
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND SEPTEMBER 30	MICHIGAN STATE FAIR REVOLVING FUND SEPTEMBER 30	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND SEPTEMBER 30	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY JUNE 30
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 2,280	$ 395	$ 14	$ 513
Equity in Common Cash	1,532	474	164	-
Amounts due from other funds	-	-	4	-
Amounts due from federal agencies	-	-	-	-
Inventories	55,006	-	595	-
Investments	-	-	-	88,000
Other current assets:				
Mortgage notes/loans receivable	-	-	-	38,962
Interest receivable	-	-	-	6,960
Miscellaneous	792	181	71	-
Total other current assets	792	181	71	45,922
Total Current Assets	59,612	1,051	851	134,435
Mortgage notes/loans receivable	-	-	-	818,488
Investments	-	-	--	386,451
Property, plant, and equipment:				
Land	-	6,901	-	-
Buildings and equipment	9,214	13,909	139	-
Historical objects	-	-	-	-
Construction in progress	-	457	-	-
Allowance for depreciation	(3,932)	(6,755)	(57)	-
Total property, plant, and equipment	5,282	14,512	81	-
Other noncurrent assets	-	-	-	-
Total Assets	$ 64,894	$ 15,563	$ 933	$ 1,339,374
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Warrants outstanding	$ 316	$ 110	$ 5	$ -
Accounts payable and other liabilities	20,299	888	267	17,108
Amounts due to other funds	-	51	2	-
Bonds and notes payable	-	-	-	34,722
Interest payable	-	-	-	35,834
Deferred revenue	3	-	896	-
Escrow funds	-	-	-	-
Total Current Liabilities	20,619	1,049	1,172	87,664
Long-Term Liabilities:				
Bonds and notes payable	-	-	-	1,275,921
Unamortized premium (discount)	-	-	-	(26,010)
Other long-term liabilities	3,100	105	21	-
Total Liabilities	23,719	1,155	1,194	1,337,575
Fund Equity:				
Retained earnings and contributions - undesignated	41,175	14,408	(261)	1,799
Retained earnings and contributions - designated	-	-	-	-
Total Fund Equity (Deficit)	41,175	14,408	(261)	1,799
Total Liabilities and Fund Equity	$ 64,894	$ 15,563	$ 933	$ 1,339,374

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY SEPTEMBER 30	MACKINAC ISLAND STATE PARK COMMISSION SEPTEMBER 30	MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY SEPTEMBER 30	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY JUNE 30	TOTALS	
				1984	1983 (RESTATED)
$ 8,080	$ 359	$ 65,020	$ 1,162	$ 77,827	$ 63,970
-	-	-	-	2,171	21,295
102	-	-	-	107	36
1,884	-	-	-	1,884	2,887
-	124	-	-	55,726	68,012
88,593	999	-	183,934	361,527	401,611
-	-	491	-	39,453	20,589
5,056	1	831	27,477	40,327	37,167
41	13	-	3,651	4,752	5,765
5,097	15	1,323	31,128	84,533	63,521
103,759	1,498	66,344	216,224	583,777	621,334
182,925	-	4,469	1,396,665	2,402,547	2,083,694
8,497	-	-	221,910	616,858	590,194
-	225	-	-	7,126	7,101
-	3,744	-	-	27,008	25,048
-	325	-	-	325	324
-	2	-	-	459	696
-	(963)	-	-	(11,709)	(10,811)
-	3,334	-	-	23,210	22,358
2,336	-	-	2,749	5,085	5,966
$ 297,518	$ 4,832	$ 70,813	$ 1,837,548	$ 3,631,479	$ 3,323,547
$ -	$ -	$ -	$ -	$ 431	$ 320
40	21	12	6,699	45,338	126,612
-	-	66	-	120	487
57,000	25	5,505	23,825	121,077	96,805
7,690	5	315	40,206	84,051	77,889
-	-	-	8,131	9,030	8,183
-	-	-	87,035	87,035	72,756
64,730	52	5,900	165,896	347,084	383,054
195,000	455	28,580	1,589,524	3,089,480	2,808,323
-	-	-	(20,686)	(46,696)	(43,270)
-	-	-	-	3,227	146
259,730	507	34,480	1,734,734	3,393,096	3,148,254
9,178	-	29,666	13,572	109,539	58,224
28,609	4,325	6,667	89,242	128,844	117,069
37,787	4,325	36,333	102,814	238,383	175,294
$ 297,518	$ 4,832	$ 70,813	$ 1,837,548	$ 3,631,479	$ 3,323,547

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS
ENTERPRISE FUNDS
FISCAL YEARS ENDED 1984
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND SEPTEMBER 30	MICHIGAN STATE FAIR REVOLVING FUND SEPTEMBER 30	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND SEPTEMBER 30	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY JUNE 30
OPERATING REVENUES:				
Operating revenues	$ 408,515	$ 2,773	$ 1,649	$ -
Interest-income on loans	-	-	-	68,100
Investment revenue (net)	-	-	-	38,158
Miscellaneous operating income:				
Federal revenues	-	-	-	-
Financing fees	-	-	-	-
Other	-	-	-	987
Total miscellaneous operating income	-	-	-	987
Total Operating Revenues	408,515	2,773	1,649	107,245
OPERATING EXPENSES:				
Salaries, wages, and other administrative expenses	31,325	3,992	1,637	941
Interest expense	-	-	-	106,019
Depreciation	398	436	29	-
Purchases for resale	322,468	-	-	-
Other operating expenses:				
Provision for possible losses on mortgage loans	-	-	-	-
Amortization of deferred issue costs	-	-	-	-
Miscellaneous	-	-	-	213
Total other operating expenses	-	-	-	213
Total Operating Expenses	354,193	4,428	1,667	107,173
Operating Income (Loss)	54,322	(1,655)	(17)	72
NONOPERATING REVENUES (EXPENSES):				
Interest revenue (expense)	-	(90)	27	-
Mineral rights revenue	-	-	-	-
Specific tax on spirits	7,084	-	-	-
Research center grants	-	-	-	-
Other nonoperating revenues (expenses)	-	2	-	-
Total Nonoperating Revenues (Expenses)	7,084	(88)	27	-
Income (Loss) Before Operating Transfers	61,406	(1,744)	10	72
OPERATING TRANSFERS:				
Operating transfers in	-	2,248	4	-
Operating transfers out	(21,875)	(48)	(34)	-
Total Operating Transfers In (Out)	(21,875)	2,199	(30)	-
Net Income (Loss) Before Accounting Change	39,530	455	(19)	72
Cumulative Effect of Accounting Change	(3,526)	-	-	-
Net Income (Loss) after accounting change	36,004	455	(19)	72
Retained Earnings and Contributions/Fund Balances - Beginning of Fiscal Year - as previously reported	5,171	13,952	(241)	-
Effect of accounting change (Note 4)	-	-	-	1,727
Retained Earnings and Contributions/Fund Balances - Beginning of Fiscal Year - restated	5,171	13,952	(241)	1,727
Retained Earnings and Contributions/Fund Balances - End of Fiscal Year	$ 41,175	$ 14,408	$ (261)	$ 1,799

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY SEPTEMBER 30	MACKINAC ISLAND STATE PARK COMMISSION SEPTEMBER 30	MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY SEPTEMBER 30	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY JUNE 30	TOTALS FISCAL YEARS ENDED 1984	1983 (RESTATED)
$ -	$ 1,359	$ -	$ -	$ 414,297	$ 412,071
12,107	-	258	119,358	199,823	170,396
11,468	-	6,985	39,031	95,643	84,183
6,608	-	-	2,571	9,179	5,353
1,601	-	-	1,676	3,277	7,385
-	-	16	78	1,081	241
8,209	-	16	4,325	13,537	12,979
31,785	1,359	7,260	162,714	723,302	679,629
2,870	2,078	534	9,689	53,069	48,786
24,013	-	4,236	136,542	270,810	230,737
-	146	-	-	1,010	857
-	52	-	-	322,520	321,222
-	-	-	1,002	1,002	1,710
1,737	-	-	186	1,923	1,895
1,392	110	-	2,287	4,003	5,272
3,129	110	-	3,475	6,928	8,877
30,013	2,387	4,770	149,706	654,340	610,479
1,772	(1,028)	2,489	13,008	68,962	69,149
-	77	-	-	14	66
-	-	14,000	-	14,000	10,500
-	-	-	-	7,084	6,971
-	-	(4,000)	-	(4,000)	(2,250)
-	23	-	-	25	-
-	100	10,000	-	17,124	15,288
1,772	(927)	12,489	13,008	86,087	84,438
-	926	-	-	3,179	6,787
-	-	(111)	(581)	(22,651)	(63,525)
-	926	(111)	(581)	(19,472)	(56,738)
1,772	(1)	12,378	12,427	66,615	27,699
-	-	-	-	(3,526)	(147)
1,772	(1)	12,378	12,427	63,088	27,552
-	-	-	-	18,883	17,912
36,015	4,326	23,955	90,387	156,411	129,829
36,015	4,326	23,955	90,387	175,294	147,741
$ 37,787	$ 4,325	$ 36,333	$ 102,814	$ 238,383	$ 175,294

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
FISCAL YEARS ENDED 1984
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND SEPTEMBER 30	MICHIGAN STATE FAIR REVOLVING FUND SEPTEMBER 30	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND SEPTEMBER 30	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY JUNE 30
SOURCES OF FUNDS:				
From operations:				
Net income (loss)	$ 36,004	$ 455	$ (19)	$ 72
Items not requiring (providing) working capital:				
Depreciation	398	436	29	-
Compensated absences - long-term portion	3,100	-	(18)	-
Provisions for losses on mortgage loans	-	-	-	-
Amortization of deferred items	-	-	-	-
Contributed fixed assets included in operating transfers	-	(844)	-	-
Working Capital Provided (Used) From Operations	39,502	46	(8)	72
Proceeds from bonds and notes sold	-	-	-	241,977
Principal repayments on loans	-	-	-	112,005
Sale of fixed assets	4	-	-	-
Decrease in noncurrent investments	-	-	-	-
Working Capital Provided (Used)	39,507	46	(8)	354,054
Total Sources (Uses) of Funds	$ 39,507	$ 46	$ (8)	$ 354,054
APPLICATION OF FUNDS:				
Increase in noncurrent investments (net)	$ -	$ -	$ -	$ 27,806
New loans issued	-	-	-	272,692
Decrease in long-term bonds and notes payable	-	-	-	34,192
Increase in other noncurrent assets	-	-	-	-
Acquisition of fixed assets	514	44	61	-
Decrease in other long-term liabilities	-	-	-	-
Net increase (decrease) in working capital	38,993	1	(70)	19,364
Total Application of Funds	$ 39,507	$ 46	$ (8)	$ 354,054
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and cash equivalents	$ 600	$ 216	$ 2	$ (338)
Equity in Common Cash	(18,820)	(223)	(79)	-
Amounts due from other funds	-	(29)	(1)	-
Amounts due from federal agencies	-	-	-	-
Inventories	(12,536)	-	125	-
Investments	-	-	-	6,000
Other current assets	399	64	(77)	19,161
Warrants outstanding	(133)	1	21	-
Accounts payable and other liabilities	69,482	(56)	(131)	12,836
Amounts due to other funds	-	29	1	-
Bonds and notes payable - current	-	-	-	(14,482)
Interest payable	-	-	-	(3,813)
Deferred revenue	1	-	68	-
Escrow funds	-	-	-	-
Net Increase (Decrease) in Working Capital	$ 38,993	$ 1	$ (70)	$ 19,364

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY SEPTEMBER 30	MACKINAC ISLAND STATE PARK COMMISSION SEPTEMBER 30	MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY SEPTEMBER 30	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY JUNE 30	TOTALS	
				FISCAL YEARS ENDED	
				1984	1983 (RESTATED)
$ 1,772	$ (1)	$ 12,378	$ 12,427	$ 63,088	$ 27,552
-	146	-	-	1,010	857
-	-	-	-	3,081	146
-	-	-	1,002	1,002	1,710
1,737	-	-	5,033	6,770	5,848
-	-	-	-	(844)	(944)
3,510	145	12,378	18,462	74,107	35,168
25,000	-	-	169,424	436,401	588,984
22,840	-	838	31,330	167,013	83,939
-	-	-	-	4	1
14,135	-	-	-	14,135	-
65,486	145	13,216	219,216	691,662	708,092
$ 65,486	$ 145	$ 13,216	$ 219,216	$ 691,662	$ 708,092
$ -	$ -	$ -	$ 12,994	$ 40,800	$ 118,524
32,665	-	5,024	183,088	493,469	278,213
57,000	25	5,505	60,380	157,102	115,039
604	-	-	253	857	3,363
-	401	-	-	1,020	1,223
-	-	-	-	-	1,256
(24,783)	(280)	2,687	(37,499)	(1,587)	190,474
$ 65,486	$ 145	$ 13,216	$ 219,216	$ 691,662	$ 708,092
$ 8,240	$ 198	$ 2,062	$ 2,525	$ 13,507	$ 50,666
-	-	-	-	(19,123)	1,799
102	-	-	-	71	(3,001)
(1,002)	-	-	-	(1,002)	1,312
-	(46)	-	-	(12,457)	(2,084)
(15,207)	(408)	-	(30,468)	(40,083)	151,938
(1,693)	(8)	389	3,296	21,529	12,354
-	-	-	-	(111)	(94)
117	(5)	(12)	(955)	81,276	(2,723)
383	-	(48)	-	367	125
(17,000)	(5)	260	6,955	(24,272)	7,326
1,276	(5)	36	(3,656)	(6,162)	(20,088)
-	-	-	(917)	(846)	3,435
-	-	-	(14,279)	(14,279)	(10,491)
$ (24,783)	$ (280)	$ 2,687	$ (37,499)	$ (1,587)	$ 190,474

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STATE OF MICHIGAN

DESCRIPTIONS OF INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1984

CORRECTIONAL INDUSTRIES REVOLVING FUND

This fund was created by P.A. 210 of 1935 and continued by P.A. 15 of 1968 to account for the financial transactions of a manufacturing and processing industry, employing inmates of the State's correctional institutions. P.A. 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax exempt organizations.

Salaries, wages, and fringe benefits of administrative and supervisory personnel are appropriated and expended in the General Fund. Expenditure reimbursement treatment has been provided there so that the expense could be recorded in the Correctional Industries Revolving Fund. Beginning with the 1980-81 fiscal year, the relationship between this fund and the General Fund changed. A portion of the costs appropriated in the General Fund are now financed by this fund. P.A. 244 of 1980 also eliminated the transfer of the fund's year-end free-cash balance to the General Fund. P.A. 245 of 1980 mandates that by October 1, 1985 all subsidies will be eliminated and the fund must be self-supporting.

FEDERAL SURPLUS REVOLVING FUND

The purpose of the fund is to account for the operations related to and the distribution of surplus federal property to eligible units of State and local agencies for a service charge. The fund was created by administrative decision.

CENTRAL DRUG REPACKAGING REVOLVING FUND

The Central Drug Repackaging Revolving Fund was established to account for the central purchase and distribution of inventories of drugs and hospital supplies at individual locations. The fund purchases these items in bulk quantities and distributes them to eligible State and local agencies for a service fee. The fund was created by P.A. 111 of 1979 and is currently operating by administrative decision. The operations of the fund were formerly accounted for in the General Fund. Prior to the current fiscal year any balance in excess of inventory at the end of the fiscal year was transferred to the General Fund and any deficiency was made up by the General Fund.

MOTOR TRANSPORT REVOLVING FUND

This fund was established by P.A. 260 of 1947 to provide automotive transportation for State agencies. Activities include purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short term usage. The Motor Transport Division vehicles are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are charged by Motor Transport Division on a monthly basis.

OFFICE SERVICES REVOLVING FUND

Created by P.A. 262 of 1952, this fund provides services in the following areas: reproduction, microfilm, mailing, communications, and purchase and storage of paper, stationery, and office supplies. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment.

STATE SPONSORED GROUP INSURANCE FUND

Prior to October 1, 1981, payments for employee dental benefits were recorded in a trust fund entitled "State Employees Dental Coverage Fund." As of that date, the equity of that fund was transferred to this internal service fund. This fund was administratively established to reflect the financial transactions of the Department of Civil Service's insurance plans which provide state sponsored health, long-term disability, life, vision, and dental coverage for participating employees. The plans' funding methods range from those where the State is fully self-insured to those where an outside carrier assumes partial risk on a contracted basis. As of October 1, 1983, the equity of the State Employees Health Maintenance Fund was transferred to this fund.

By accounting for these varied insurance programs in one fund, the Department of Civil Service realizes greater flexibility in administration and rate negotiations for the various plans than would otherwise be possible.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 1984
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
ASSETS			
Current Assets:			
Cash and cash equivalents......	$ 3	$ 3	$ 5
Equity in Common Cash..........	7,546	-	154
Amounts due from other funds...	-	-	-
Amounts due from local units...	101	66	100
Inventories....................	5,530	-	954
Other current assets:			
Miscellaneous................	29	17	54
Total other current assets....	29	17	54
Total Current Assets..........	13,212	87	1,270
Property, plant, and equipment:			
Buildings and equipment........	11,285	360	7
Allowance for depreciation.....	(5,684)	(289)	(5)
Total property, plant, and equipment..................	5,601	71	1
Other noncurrent assets..........	-	-	-
Total Assets.................	$ 18,813	$ 158	$ 1,272
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Liability to Common Cash.......	$ -	$ 245	$ -
Warrants outstanding...........	352	3	197
Accounts payable and other liabilities.................	1,270	27	118
Amounts due to other funds.....	-	4	1
Deferred revenue...............	-	-	-
Total Current Liabilities.....	1,622	280	317
Long-term liabilities:			
Other long-term liabilities....	593	85	13
Total Liabilities............	2,216	366	331
Fund Equity:			
Retained earnings and contributions (deficit)............	16,597	(207)	940
Total Fund Equity (Deficit)...	16,597	(207)	940
Total Liabilities and Fund Equity.....................	$ 18,813	$ 158	$ 1,272

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS	
			SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ 19	$ 1,007	$ -	$ 1,038	$ 1,046
-	-	51,171	58,873	33,861
-	-	1,426	1,426	1,456
-	22	-	290	273
401	1,832	-	8,719	8,274
91	75	1,879	2,148	893
91	75	1,879	2,148	893
512	2,937	54,477	72,497	45,804
38,833	4,808	305	55,601	45,845
(13,949)	(2,467)	(209)	(22,605)	(19,902)
24,883	2,341	96	32,995	25,942
-	-	22,289	22,289	10,838
$ 25,396	$ 5,278	$ 76,863	$ 127,782	$ 82,585
$ 588	$ 187	$ -	$ 1,020	$ 613
243	132	129	1,059	611
717	971	45,454	48,559	42,713
25	62	-	93	159
-	82	17,781	17,864	16
1,574	1,436	63,366	68,598	44,114
237	782	7,295	9,007	4,509
1,811	2,218	70,661	77,606	48,624
23,584	3,060	6,201	50,176	33,961
23,584	3,060	6,201	50,176	33,961
$ 25,396	$ 5,278	$ 76,863	$ 127,782	$ 82,585

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
OPERATING REVENUES............................	$ 10,871	$ 591	$ 4,869
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses..................	6,959	684	432
Depreciation..................................	390	19	1
Purchases for resale..........................	-	-	4,410
Purchases for manufacturing...................	3,994	-	-
Payment of premiums and claims.............	-	-	-
Total Operating Expenses................	11,345	704	4,844
Operating Income (Loss)..................	(474)	(112)	24
NONOPERATING REVENUES (EXPENSES):			
Gain (loss) on disposal of fixed assets....	-	-	-
Other nonoperating revenues (expenses).....	10	-	-
Total Nonoperating Revenues (Expenses)..	10	-	-
Income (Loss) Before Operating Transfers.............................	(464)	(111)	24
OPERATING TRANSFERS:			
Operating transfers in.....................	2,118	-	-
Operating transfers out....................	(72)	(70)	(16)
Total Operating Transfers In (Out)......	2,045	(69)	(16)
Net Income (Loss) Before Accounting Change................................	1,581	(181)	8
Cumulative Effect of Accounting Change..	(675)	-	-
Net Income (Loss) after accounting change................................	905	(181)	8
Retained Earnings and Contributions (Deficit) - October 1......................	15,691	(27)	931
Contributed capital-fixed assets........	-	-	-
Equity transfer from (to) other funds...	-	-	-
Retained Earnings and Contributions (Deficit) - September 30..................	$ 16,597	$ (207)	$ 940

			TOTALS	
			FISCAL YEARS ENDED	
MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ 19,799	$ 22,771	$ 217,835	$ 276,738	$ 244,512
5,015	6,941	10,220	30,254	31,701
6,114	638	25	7,191	5,375
5,247	13,605	-	23,263	17,089
-	-	-	3,994	4,333
342	-	196,046	196,389	185,841
16,719	21,186	206,292	261,092	244,341
3,079	1,585	11,542	15,645	170
440	25	-	466	99
-	-	-	10	41
440	25	-	476	141
3,519	1,611	11,542	16,122	312
3	-	-	2,122	1,699
(345)	(1,020)	(7)	(1,531)	(1,468)
(342)	(1,020)	(7)	591	231
3,177	591	11,535	16,713	543
-	-	-	(675)	(1,027)
3,177	591	11,535	16,038	(483)
20,352	2,468	(5,455)	33,961	30,288
53	-	-	54	4,157
-	-	122	122	-
$ 23,584	$ 3,060	$ 6,201	$ 50,176	$ 33,961

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
SOURCES OF FUNDS:			
From operations:			
Net income (loss)............................	$ 905	$ (181)	$ 8
Items not requiring (providing) working capital:			
Depreciation............................	390	19	1
Compensated absences - long-term portion............................	593	(30)	(6)
Disability claims - long-term portion...	-	-	-
Loss (gain) on disposal of fixed assets............................	-	-	-
Working Capital Provided (Used) from Operations............................	1,890	(192)	4
Sale of fixed assets..........................	-	2	-
Equity transfer from (to) other funds.........	-	-	-
Working Capital Provided (Used)...........	1,890	(190)	4
Contributed fixed assets......................	-	-	-
Capitalization of leases......................	-	-	-
Total Sources (Uses) of Funds.............	$ 1,890	$ (190)	$ 4
APPLICATION OF FUNDS:			
Increase in other noncurrent assets (net).....	$ -	$ -	$ -
Acquisition of fixed assets...................	1,136	-	-
Capitalization of fixed assets................	-	-	-
Reduction in long-term lease obligation.......	-	-	-
Net increase (decrease) in working capital....	753	(190)	4
Total Application of Funds................	$ 1,890	$ (190)	$ 4
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents.....................	$ -	$ (1)	$ (4)
Equity in Common Cash.........................	1,090	(167)	201
Amounts due from other funds..................	-	-	-
Amounts due from local units..................	3	(20)	34
Inventories...................................	400	-	(191)
Other current assets..........................	(61)	(11)	2
Warrants outstanding..........................	(64)	(2)	(159)
Accounts payable and other liabilities........	(614)	7	120
Amounts due to other funds....................	-	5	1
Deferred revenue..............................	-	-	-
Net Increase (Decrease) in Working Capital.	$ 753	$ (190)	$ 4

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS	
			FISCAL YEARS ENDED	
			SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ 3,177	$ 591	$ 11,535	$ 16,038	$ (483)
6,114	638	25	7,191	5,375
(6)	(55)	-	494	1,045
-	-	4,148	4,148	3,147
(438)	7	-	(432)	(99)
8,846	1,181	15,709	27,439	8,985
2,657	65	-	2,724	1,620
-	-	122	122	-
11,503	1,246	15,831	30,286	10,606
53	-	-	53	4,157
-	-	-	-	594
$ 11,557	$ 1,246	$ 15,831	$ 30,339	$ 15,358
$ -	$ -	$ 11,450	$ 11,450	$ 4,457
14,512	710	-	16,359	9,965
53	-	122	176	4,157
-	132	-	132	278
(3,009)	403	4,257	2,219	(3,500)
$ 11,557	$ 1,246	$ 15,831	$ 30,339	$ 15,358
$ 12	$ 7	$ (21)	$ (7)	$ 38
(3,022)	301	26,200	24,604	10,569
-	-	(29)	(29)	(2,671)
-	1	-	17	(20)
110	127	-	445	430
(1)	(40)	1,366	1,254	497
(118)	(70)	(32)	(448)	(267)
(6)	118	(5,460)	(5,834)	(12,033)
16	42	-	66	(25)
-	(82)	(17,765)	(17,847)	(16)
$ (3,009)	$ 403	$ 4,257	$ 2,219	$ (3,500)

TRUST FUNDS - OTHER

This group includes the State Office Building Bond Redemption Fund, Michigan Employment Security Act Contingency Fund, Special Federal Bridge Replacement Fund, Michigan State Accident Fund, Children's Institute Trust Fund, Escheats Fund, Federal County Road Fund, Gifts, Bequests, and Deposits Investment Fund, Silicosis, Dust Disease, and Logging Industry Compensation Fund, Federal Urban Transportation System Fund, Agricultural College Fund-Morrill Act, Michigan Higher Education Assistance Authority Fund, Second Injury Fund, Municipal Employees' Retirement Fund, Highway Topics and Safety Program Fund, Hospital Patients' Trust Fund, Federal Housing Administration Mortgages Escrow Fund, Self-Insurers' Security Fund, State Employees' Deferred Compensation Fund, Special Assessment Deferment Fund, the Urban Land Assembly Loan Fund, Utility Consumer Representation Fund, and U.S. Truck Company, Inc. Workers' Compensation Trust Fund.

The trust funds listed above are not reported in individual statements in this annual report, but are shown in a single statement column which may be found in the statement entitled "Combining Balance Sheet - Trust and Agency Funds - By Classification," in the column headed "Other Trust Funds." They are also reported on the statement entitled "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances," in the column entitled "Expendable Trust Funds."

During 1983-84, two funds were closed by equity transfer to other funds. The Hospital Patients Benefit Fund is now accounted for in the Gifts, Bequests, and Deposits Investment Fund (another trust fund) and the State Employees' Health Maintenance Fund's operations are now accounted for in the State Sponsored Group Insurance Fund (an internal service fund).

RECEIPTS CLEARING FUND

This fund is used by several State departments primarily as a depository for various receipts; the classification as to type of revenue being unknown at the time of deposit. Subsequent to the deposit of monies in this fund, the participating departments initiate a determination procedure to clear this fund of deposits made and to credit the proper funds and accounts for revenues received.

METROPOLITAN PLANNING FUND

This fund was established by the Federal Highway Act of 1973, Section 112 and 134 to account for Federal "pass through" funds that reimburse local regional planning agencies for operating expenses. Local money is advanced to the fund, approximately 80% of which is reimbursed to the local unit by the federal government. The financing accounted for in this fund consists of federal and local money, and no State funds are involved.

CONTRIBUTION FUND (SOCIAL SECURITY)

The function of this fund is to account for monies provided for social security coverage of employees of the State of Michigan and its political subdivisions. The fund, established by P.A. 205 of 1951, is administered by the State Employees' Retirement Board. Social Security reports and contributions by the employee and the employer are reported to the board. The various reports and contributions are recapped and forwarded to the Federal Social Security Administration. The administrative costs are prorated to the various reporting units.

AIRPORT AUTHORITIES FACILITIES IMPROVEMENT TRUST FUND

This fund was authorized by P.A. 327 of 1945. The purpose of the fund is to hold in trust, monies deposited by local airport authorities for the purchase of land for local airport improvements. The land purchase transactions are administered by the Right of Way Division of the Department of Transportation. The deposits cover the land purchase price and the purchase administrative costs. No State funds are involved.

SCHOOL EMERGENCY LOAN REVOLVING FUND

This fund was authorized by P.A. 8 of 1977 to furnish emergency financial assistance to insolvent school districts. Since the loan authority expired June 30, 1983, collection of outstanding loans has been the sole purpose of the fund. Loan repayments with interest are transferred annually to the General Fund.

HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND

This fund was authorized by P.A. 641 of 1978, as amended, and Act 64 of 1979 to account for cash bonds posted by applicants desiring licenses to operate hazardous and solid waste disposal areas. In accordance with P.A. 641 of 1978, as amended, interest earnings up to 6% are credited to the applicants account. This act also specifies the circumstances under which the director of the Department of Natural Resources is authorized to use the deposits to close and maintain a facility or return the deposit to the operator upon his satisfactory closure and maintenance of such facility.

HERITAGE TRUST FUND

This fund was created by P.A. 327 of 1982, as amended, to record deposits of certain bonuses, rentals, delayed rentals, and royalties collected by the State under provisions of specific State oil and gas leases until September 30, 2032. These monies are then distributed quarterly to the Michigan Economic Development Authority as specified by the Act. The Act also provides for a transfer to the State Recreational Land Acquisition Trust Fund of any balance remaining in the fund on July 1 of each year.

The State Constitution was amended in November 1984 to provide for a "Michigan Natural Resources Trust Fund." The Heritage Trust Fund will be merged into the new fund. The Legislature must provide by law for the implementation of the change.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS - BY CLASSIFICATION
SEPTEMBER 30, 1984
(In Thousands)

	RETIREMENT RELATED TRUST FUNDS	OTHER TRUST FUNDS	AGENCY FUNDS	TOTALS	
				SEPTEMBER 30, 1984	SEPTEMBER 30, 1983 (RESTATED)
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 273	$ 14	$ 2,397	$ 2,685	$ 2,684
Equity in Common Cash	82,150	162,726	84,916	329,793	502,718
Taxes, interest, and penalties receivable	-	13,224	-	13,224	5,113
Amounts due from other funds	14,739	6,744	11,288	32,772	42,036
Amounts due from federal agencies	-	27,470	380	27,851	18,283
Amounts due from local units	35,863	11,715	216	47,795	51,296
Investments	323,055	63,549	-	386,605	544,200
Other current assets	145,300	37,694	609	183,604	157,639
Total Current Assets	601,381	323,140	99,809	1,024,332	1,323,974
Taxes, interest, and penalties receivable	-	25,121	-	25,121	-
Amounts due from local units	-	1,572	-	1,572	2,075
Investments	8,912,264	1,176,810	-	10,089,075	8,454,126
Other noncurrent assets	-	2,419	550	2,969	2,981
Total Assets	$ 9,513,646	$ 1,529,064	$ 100,359	$11,143,071	$ 9,783,156
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Liability to Common Cash	$ -	$ -	$ 1,402	$ 1,402	$ 5
Warrants outstanding	15,751	3,924	38,433	58,109	80,096
Accounts payable and other liabilities	81,215	29,966	59,446	170,628	128,083
Amounts due to other funds	-	2,396	527	2,924	1,135
Interest payable	-	-	-	-	25,406
Deferred revenue	-	17,451	-	17,451	-
Total Current Liabilities	96,966	53,740	99,809	250,516	234,727
Long-Term Liabilities:					
Amounts due to other funds	-	2,446	550	2,996	3,326
Deferred revenue	-	25,121	-	25,121	-
Other long-term liabilities	-	4,079	-	4,079	4,079
Total Liabilities	96,966	85,386	100,359	282,713	242,133
Fund Balances:					
Reserved for retirement system	9,416,680	-	-	9,416,680	8,310,689
Unreserved	-	1,443,677	-	1,443,677	1,230,334
Total Fund Balances	9,416,680	1,443,677	-	10,860,358	9,541,023
Total Liabilities and Fund Balances	$ 9,513,646	$ 1,529,064	$ 100,359	$11,143,071	$ 9,783,156

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - RETIREMENT

FISCAL YEAR ENDED SEPTEMBER 30, 1984

LEGISLATIVE RETIREMENT FUND

The Legislative Retirement System was created by P.A. 261 of 1957 to provide retirement allowances, survivors' allowances, and other benefits for members of the Legislature and the presiding officers and their widows or children.

Participants in the system have a deduction from each salary payment to partly finance the fund. In addition, legislative appropriations, interest on fund investments, and court fees complete the financing.

STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND

This fund was created by P.A. 251 of 1935 to provide retirement benefits for State Police officers and is administered by the Director for the Department of State Police under the supervision of the State Administrative Board. Financing is provided by investment income and by an annual legislative appropriation from the General Fund.

STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a nine member board under the direction of an Executive Secretary. P.A. 216 of 1974 eliminated the requirement for member contributions and provided for financing entirely by legislative appropriation. Financing requirements are based on an actuarial percentage of members' current salaries and wages. Administrative costs are financed by the investment earnings of the fund.

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

In accordance with P.A. 300 of 1980, on October 1, 1981 the Public School Employees' Chapter I Retirement Fund was merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement Fund. The two original funds were created by Public Acts 136 of 1945 and 259 of 1974, respectively.

Financing for the fund is based upon an actuarial determination that is funded by both annual appropriations by the Legislature and employer contributions. Benefit payments and administrative costs are the principal expenses of the fund. Administrative policy is governed by an eight member board.

PROBATE JUDGES' AND JUDGES' RETIREMENT FUNDS

P.A. 198 of 1951 and P.A. 165 of 1954 created the Judges' and Probate Judges' Retirement Funds respectively. These funds are administered by their respective boards under direction of the Executive Secretary of the State Employees' Retirement Fund. Financing is from member contributions, court filing fees as provided under law, and legislative appropriations. Amendments to the basic law by P.A. 508 and P.A. 510 of 1982 closed the Probate Judges' Retirement Fund to new members. As of January 1983, all new members of the judicial retirement system will be included in the Judges' Retirement Fund.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
TRUST FUNDS - RETIREMENT
SEPTEMBER 30, 1984
(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
ASSETS			
Current Assets:			
Cash and cash equivalents................	$ 16	$ -	$ 246
Equity in Common Cash....................	10,476	4,348	16,048
Amounts due from other funds............	291	118	12,120
Amounts due from local units............	30	-	-
Investments..............................	-	7,235	71,111
Other current assets:			
Miscellaneous..........................	837	3,245	32,590
Total other current assets.............	837	3,245	32,590
Total Current Assets...................	11,652	14,948	132,116
Investments..............................	23,412	198,659	1,962,257
Total Assets...........................	$ 35,065	$ 213,607	$ 2,094,373
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding.....................	$ 42	$ 204	$ 3,153
Accounts payable and other liabilities...	1	1,231	22,454
Total Current Liabilities..............	43	1,435	25,607
Total Liabilities......................	43	1,435	25,607
Fund Balances:			
Reserved for Retirement Benefits.........	35,021	212,172	2,068,766
Total Fund Balances....................	35,021	212,172	2,068,766
Total Liabilities and Fund Balances.....	$ 35,065	$ 213,607	$ 2,094,373

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
			SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ 10	$ -	$ -	$ 273	$ 89
48,821	326	2,128	82,150	220,984
2,107	7	93	14,739	13,646
35,832	-	-	35,863	41,668
242,480	355	1,873	323,055	487,757
107,006	261	1,358	145,300	125,715
107,006	261	1,358	145,300	125,715
436,259	950	5,454	601,381	889,861
6,666,781	9,778	51,375	8,912,264	7,472,383
$ 7,103,041	$ 10,728	$ 56,829	$ 9,513,646	$ 8,362,245
$ 12,232	$ 37	$ 81	$ 15,751	$ 8,152
57,134	95	298	81,215	43,403
69,367	133	379	96,966	51,556
69,367	133	379	96,966	51,556
7,033,674	10,595	56,450	9,416,680	8,310,689
7,033,674	10,595	56,450	9,416,680	8,310,689
$ 7,103,041	$ 10,728	$ 56,829	$ 9,513,646	$ 8,362,245

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
TRUST FUNDS - RETIREMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
OPERATING REVENUES:			
Contributions from members and employers	$ 1,677	$ 18,283	$ 169,974
Investment revenue (net)	3,080	21,308	198,305
Miscellaneous operating income:			
Court fees for administration and annuities	910	-	-
Miscellaneous	-	-	-
Total miscellaneous operating income	910	-	-
Total Operating Revenues	5,669	39,592	368,280
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses	74	68	1,069
Benefits, insurance, and refunds:			
Benefits paid to participants or beneficiaries	1,325	9,198	87,315
Medical, dental, and life insurance for retirants	583	2,034	25,977
Refunds to terminated members	1	33	324
Total benefits, insurance, and refunds	1,911	11,267	113,616
Total Operating Expenses	1,986	11,335	114,685
Operating Income	3,683	28,256	253,594
OPERATING TRANSFERS:			
Operating transfers in	-	-	87
Operating transfers out	(8)	(86)	(661)
Total Operating Transfers In (Out)	(8)	(86)	(574)
Net Income	3,675	28,170	253,020
Fund Balances - October 1	31,346	184,001	1,815,745
Fund Balances - September 30	$ 35,021	$ 212,172	$ 2,068,766

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
			FISCAL YEAR ENDED	
			SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ 497,251	$ 313	$ 2,556	$ 690,057	$ 637,506
669,143	1,020	5,495	898,355	995,477
-	652	4,925	6,488	5,577
-	-	-	1	14
-	652	4,925	6,490	5,592
1,166,395	1,986	12,977	1,594,902	1,638,576
2,551	21	146	3,931	3,593
304,294	711	2,700	405,545	383,032
42,788	-	2	71,387	56,412
3,588	29	9	3,986	4,610
350,671	741	2,712	480,919	444,055
353,222	762	2,858	484,851	447,649
813,173	1,224	10,119	1,110,051	1,190,927
-	-	-	87	87
(2,092)	(12)	(1,285)	(4,147)	(3,126)
(2,092)	(12)	(1,285)	(4,060)	(3,039)
811,080	1,211	8,833	1,105,990	1,187,888
6,222,594	9,384	47,616	8,310,689	7,122,800
$ 7,033,674	$ 10,595	$ 56,450	$ 9,416,680	$ 8,310,689

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
TRUST FUNDS - RETIREMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1984

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
SOURCES OF FUNDS:			
From Operations:			
Net income	$ 3,675	$ 28,170	$ 253,020
Working Capital Provided from Operations	3,675	28,170	253,020
Decrease in noncurrent investments (net)	382	-	-
Working Capital Provided	4,057	28,170	253,020
Total Sources of Funds	$ 4,057	$ 28,170	$ 253,020
APPLICATION OF FUNDS:			
Increase in noncurrent investments (net)	$ -	$ 34,156	$ 315,850
Net increase (decrease) in working capital	4,057	(5,986)	(62,829)
Total Application of Funds	$ 4,057	$ 28,170	$ 253,020
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ 15	$ -	$ 167
Equity in Common Cash	3,945	(1,626)	(21,723)
Amounts due from other funds	133	21	3,234
Amounts due from local units	(12)	-	-
Investments	-	(3,591)	(36,847)
Other current assets	(12)	482	4,353
Warrants outstanding	(12)	(130)	(2,238)
Accounts payable and other liabilities	(1)	(1,140)	(9,775)
Net Increase (Decrease) in Working Capital	$ 4,057	$ (5,986)	$ (62,829)

			TOTALS	
			FISCAL YEAR ENDED	
PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	SEPTEMBER 30, 1984	SEPTEMBER 30, 1983
$ 811,080	$ 1,211	$ 8,833	$ 1,105,990	$ 1,187,888
811,080	1,211	8,833	1,105,990	1,187,888
-	-	-	382	-
811,080	1,211	8,833	1,106,373	1,187,888
$ 811,080	$ 1,211	$ 8,833	$ 1,106,373	$ 1,187,888
$ 1,078,614	$ 1,544	$ 10,096	$ 1,440,262	$ 859,096
(267,534)	(333)	(1,263)	(333,889)	328,791
$ 811,080	$ 1,211	$ 8,833	$ 1,106,373	$ 1,187,888
$ -	$ -	$ -	$ 183	$ (18)
(119,153)	77	(352)	(138,833)	(119,497)
(2,334)	1	35	1,093	(2,189)
(5,792)	-	-	(5,805)	12,161
(123,098)	(229)	(934)	(164,702)	487,707
14,509	(64)	317	19,585	(36,551)
(5,140)	(27)	(48)	(7,598)	(2,187)
(26,524)	(89)	(280)	(37,811)	(10,633)
$ (267,534)	$ (333)	$ (1,263)	$ (333,889)	$ 328,791

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

RECEIPTS CLEARING FUND	BALANCE OCTOBER 1, 1983	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1984
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 2,536	$ 16,775	$ 16,914	$ 2,397
Equity in Common Cash	1,004	1,548,560	1,549,564	-
Other current assets	639	1,231	1,261	609
Total Assets	$ 4,180	$ 1,566,567	$ 1,567,740	$ 3,006
LIABILITIES				
Current Liabilities:				
Liability to Common Cash	$ -	$ 1,402	$ -	$ 1,402
Warrants outstanding	76	112	-	189
Accounts payable and other liabilities	3,801	1,559,308	1,562,022	1,087
Amounts due to other funds	301	44	18	327
Total Liabilities	$ 4,180	$ 1,560,866	$ 1,562,040	$ 3,006

METROPOLITAN PLANNING FUND	BALANCE OCTOBER 1, 1983	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1984
ASSETS				
Current Assets:				
Equity in Common Cash	$ 12	$ 2,618	$ 2,614	$ 16
Amounts due from federal agencies	375	380	375	380
Amounts due from local units	-	1	-	1
Total Assets	$ 387	$ 3,000	$ 2,989	$ 398
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 9	$ -	$ -	$ 8
Accounts payable and other liabilities	378	3,204	3,192	390
Total Liabilities	$ 387	$ 3,204	$ 3,193	$ 398

CONTRIBUTION FUND (SOCIAL SECURITY)	BALANCE OCTOBER 1, 1983	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1984
ASSETS				
Current Assets:				
Equity in Common Cash	$ 101,343	$ 1,200,699	$ 1,228,106	$ 73,936
Amounts due from other funds	23,943	11,176	23,944	11,175
Total Assets	$ 125,287	$ 1,211,875	$ 1,252,051	$ 85,111
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 69,542	$ -	$ 31,306	$ 38,236
Accounts payable and other liabilities	55,745	1,209,536	1,218,406	46,875
Total Liabilities	$ 125,287	$ 1,209,536	$ 1,249,712	$ 85,111

Continued on next page

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

AIRPORT AUTHORITIES FACILITIES IMPROVEMENT TRUST FUND	BALANCE OCTOBER 1, 1983	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1984
ASSETS				
Current Assets:				
Equity in Common Cash	$ 277	$ 256	$ 467	$ 66
Amounts due from other funds	6	7	6	7
Total Assets	$ 283	$ 264	$ 473	$ 74
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	$ 283	$ 58	$ 267	$ 74
Total Liabilities	$ 283	$ 58	$ 267	$ 74
SCHOOL EMERGENCY LOAN REVOLVING FUND				
ASSETS				
Current Assets:				
Equity in Common Cash	$ -	$ 255	$ 255	$ -
Amounts due from local units	219	234	238	215
Total Current Assets	219	489	493	-
Noncurrent Assets	750	-	200	550
Total Assets	$ 969	$ 489	$ 693	$ 765
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	$ 19	$ 89	$ 93	$ 15
Amounts due to other funds	200	200	200	200
Total Current Liabilities	219	289	293	215
Long-term Liabilities:				
Amounts due to other funds	750	-	200	550
Total Liabilities	$ 969	$ 289	$ 493	$ 765
HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 106	$ 87	$ 25	$ 167
Amounts due from other funds	2	3	2	3
Total Assets	$ 108	$ 91	$ 27	$ 171
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	$ 108	$ 95	$ 32	$ 171
Total Liabilities	$ 108	$ 95	$ 32	$ 171

Continued on next page

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	BALANCE OCTOBER 1, 1983	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1984
HERITAGE TRUST FUND				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 8,751	$ 34,770	$ 32,793	$ 10,729
Amounts due from other funds	78	101	78	101
Total Assets	$ 8,829	$ 34,872	$ 32,871	$ 10,831
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	$ 8,829	$ 53,794	$ 51,793	$ 10,831
Total Liabilities	$ 8,829	$ 53,794	$ 51,793	$ 10,831
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 2,536	$ 16,775	$ 16,914	$ 2,397
Equity in Common Cash	111,495	2,787,248	2,813,827	84,916
Amounts due from other funds	24,030	11,290	24,031	11,288
Amounts due from federal agencies	375	380	375	380
Amounts due from local units	219	235	238	216
Other current assets	639	1,231	1,261	609
Total Current Assets	139,295	2,817,161	2,856,647	99,809
Noncurrent Assets	750	-	200	550
Total Assets	$ 140,045	$ 2,817,161	$ 2,856,847	$ 100,359
LIABILITIES				
Current Liabilities:				
Liability to Common Cash	$ -	$ 1,402	$ -	$ 1,402
Warrants outstanding	69,628	112	31,307	38,433
Accounts payable and other liabilities	69,166	2,826,088	2,835,808	59,446
Amounts due to other funds	501	244	218	527
Total Current Liabilities	139,295	2,827,847	2,867,333	99,809
Long-term Liabilities:				
Amounts due to other funds	750	-	200	550
Total Liabilities	$ 140,045	$ 2,827,847	$ 2,867,533	$ 100,359

STATE OF MICHIGAN
SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT
SEPTEMBER 30, 1984
(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL OBLIGATION LONG-TERM DEBT

Serial Bonds		
Amount available in debt service funds		
School Loan Bond Redemption Fund		$ 3,132
Amount to be provided		
School loan bonds	$ 32,167	
Water pollution control bonds	122,000	
Public recreation bonds	10,000	
Vietnam veteran era bonus bonds	92,000	256,167
TOTAL AVAILABLE AND TO BE PROVIDED		$ 259,300

GENERAL OBLIGATION LONG-TERM DEBT PAYABLE

Serial bonds payable	$ 259,300
TOTAL GENERAL OBLIGATION LONG-TERM DEBT PAYABLE	$ 259,300

STATE OF MICHIGAN
SCHEDULE OF REVENUE DEDICATED LONG-TERM DEBT
OVERSIGHT ENTITY
SEPTEMBER 30, 1984
(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF REVENUE DEDICATED LONG-TERM DEBT - OVERSIGHT ENTITY

Serial Bonds		
Amount available in debt service funds		
State Park Revenue Bond Fund		$ 2,571
Comprehensive Transportation Bond and Interest Redemption Fund		130
1983 State Trunkline Fund Bond and Interest Redemption Fund		46
Expressways Bond and Interest Redemption Fund		133
		2,881
Amount to be provided		
State park revenue bonds	$ 8,223	
Transportation tax dedicated bonds	423,063	
Transportation joint effort tax dedicated bonds	876	432,163
TOTAL AVAILABLE AND TO BE PROVIDED		$ 435,045

REVENUE DEDICATED LONG-TERM DEBT PAYABLE

Serial bonds payable	$ 435,045
TOTAL REVENUE DEDICATED LONG-TERM DEBT PAYABLE - OVERSIGHT ENTITY	$ 435,045

STATE OF MICHIGAN
SCHEDULE OF REVENUE DEDICATED LONG-TERM DEBT
STATE AUTHORITIES - GOVERNMENTAL
1984
(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF REVENUE DEDICATED LONG-TERM DEBT STATE AUTHORITIES - GOVERNMENTAL

Amount available		
State Building Authority		$ 70,636
Mackinac Bridge Authority		513
		71,149
Amount to be provided		
State Building Authority	$ 471,839	
Mackinac Bridge	9,267	481,106
TOTAL AVAILABLE AND TO BE PROVIDED		$ 552,255

REVENUE DEDICATED LONG-TERM DEBT PAYABLE

Bonds payable	$ 552,255
TOTAL REVENUE DEDICATED LONG-TERM DEBT PAYABLE - STATE AUTHORITIES - GOVERNMENTAL	$ 552,255

STATE OF MICHIGAN
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
1984
(In Thousands)

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

		REVENUE DEDICATED BONDS		
FISCAL YEARS ENDING	GENERAL OBLIGATION BONDS	OVERSIGHT ENTITY	STATE AUTHORITIES-GOVERNMENTAL	TOTAL
1985............	$ 63,126	$ 64,942	$ 61,528	$ 189,598
1986............	61,092	56,952	61,554	179,598
1987............	47,743	53,096	62,138	162,978
1988............	29,630	46,871	67,198	143,700
1989............	25,467	46,981	69,114	141,562
1990............	16,533	46,660	69,065	132,258
1991............	10,909	46,515	69,055	126,480
1992............	10,478	46,408	69,083	125,969
1993............	10,084	46,245	67,933	124,262
1994............	6,765	45,907	77,728	130,401
1995............	5,518	45,777	67,449	118,745
1996............	5,343	44,721	65,575	115,640
1997............	5,242	44,582	60,704	110,530
1998............	5,141	44,624	55,564	105,330
1999............	4,060	44,522	52,186	100,769
2000............	-	20,811	46,007	66,818
2001............	-	20,790	41,950	62,740
2002............	-	20,719	40,337	61,056
2003............	-	20,708	27,401	48,109
2004............	-	20,640	27,403	48,043
2005............	-	20,570	27,402	47,972
2006............	-	20,538	27,402	47,940
2007............	-	20,438	27,401	47,839
2008............	-	20,370	27,406	47,776
2009............	-	20,273	27,402	47,676
2010............	-	16,790	27,912	44,703
2011............	-	17,182	27,914	45,096
2012............	-	6,008	27,911	33,920
2013............	-	5,986	27,912	33,898
2014............	-	5,960	-	5,960
TOTAL.............	$ 307,136	$ 982,599	$ 1,407,645	$ 2,697,382

STATE OF MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS
SEPTEMBER 30, 1984
(In Thousands)

FISCAL YEAR ENDING SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1985............	$ 50,600	$ 12,526	$ 63,126
1986............	51,200	9,892	61,092
1987............	40,300	7,443	47,743
1988............	24,500	5,130	29,630
1989............	21,700	3,767	25,467
1990............	14,000	2,533	16,533
1991............	9,000	1,909	10,909
1992............	9,000	1,478	10,478
1993............	9,000	1,084	10,084
1994............	6,000	765	6,765
1995............	5,000	518	5,518
1996............	5,000	343	5,343
1997............	5,000	242	5,242
1998............	5,000	141	5,141
1999............	4,000	60	4,060
TOTAL..............	$ 259,300	$ 47,836	$ 307,136

STATE OF MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE DEDICATED BONDS
OVERSIGHT ENTITY
1984
(In Thousands)

FISCAL YEAR ENDING SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1985	$ 26,545	$ 38,397	$ 64,942
1986	20,045	36,907	56,952
1987	17,340	35,756	53,096
1988	12,095	34,776	46,871
1989	13,200	33,781	46,981
1990	13,985	32,675	46,660
1991	15,075	31,440	46,515
1992	16,320	30,088	46,408
1993	17,630	28,615	46,245
1994	18,850	27,057	45,907
1995	20,470	25,307	45,777
1996	21,290	23,431	44,721
1997	23,210	21,372	44,582
1998	25,515	19,109	44,624
1999	27,900	16,622	44,522
2000	6,920	13,891	20,811
2001	7,520	13,270	20,790
2002	8,135	12,584	20,719
2003	8,865	11,843	20,708
2004	9,615	11,025	20,640
2005	10,435	10,135	20,570
2006	11,375	9,163	20,538
2007	12,340	8,098	20,438
2008	13,430	6,940	20,370
2009	14,600	5,673	20,273
2010	12,500	4,290	16,790
2011	14,285	2,897	17,182
2012	4,705	1,303	6,008
2013	5,170	816	5,986
2014	5,680	280	5,960
TOTAL	$ 435,045	$ 547,554	$ 982,599

STATE OF MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE DEDICATED BONDS
STATE AUTHORITIES - GOVERNMENTAL
1984
(In Thousands)

FISCAL YEARS ENDING	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1985............	$ 7,240	$ 54,288	$ 61,528
1986............	7,830	53,724	61,554
1987............	9,060	53,078	62,138
1988............	14,965	52,233	67,198
1989............	18,160	50,954	69,114
1990............	19,630	49,435	69,065
1991............	21,315	47,740	69,055
1992............	23,225	45,858	69,083
1993............	24,170	43,763	67,933
1994............	36,160	41,568	77,728
1995............	28,855	38,594	67,449
1996............	29,720	35,855	65,575
1997............	27,585	33,119	60,704
1998............	25,115	30,449	55,564
1999............	24,390	27,796	52,186
2000............	20,685	25,322	46,007
2001............	18,855	23,095	41,950
2002............	19,445	20,892	40,337
2003............	8,900	18,501	27,401
2004............	9,970	17,433	27,403
2005............	11,165	16,237	27,402
2006............	12,505	14,897	27,402
2007............	14,005	13,396	27,401
2008............	15,690	11,716	27,406
2009............	16,785	10,617	27,402
2010............	18,470	9,442	27,912
2011............	20,480	7,434	27,914
2012............	22,705	5,206	27,911
2013............	25,175	2,737	27,912
TOTAL..............	$ 552,255	$ 855,390	$ 1,407,645

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STATE OF MICHIGAN
COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL AND SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax	$ 1,924,996	$ 1,636,237	$ 283,759
Personal income tax	3,255,595	2,872,020	383,574
Corporation income tax	12,526	12,526	-
Single business tax	1,280,547	1,107,646	172,901
Use tax	317,332	317,332	-
Cigarette tax	240,957	126,215	114,741
Beer and wine tax	51,652	51,652	-
Liquor excise tax	39,271	39,271	-
Horse race wagering tax	21,480	10,077	11,403
Intangibles tax	53,902	44,402	9,500
Inheritance tax	62,393	62,393	-
Telephone and telegraph company tax	113,073	113,073	-
Insurance company premium tax	103,411	103,411	-
Motor vehicle weight tax	255,862	255,862	-
Gasoline tax	528,984	528,984	-
Aviation fuel tax	3,277	3,277	-
Diesel fuel tax	40,430	40,430	-
Gas and oil severance tax	78,029	78,029	-
Industrial facilities tax	38,578	38,578	-
Penalties and interest - various taxes	38,724	38,724	-
Watercraft registration tax	5,358	5,358	-
Other taxes	5,238	5,238	-
	8,471,626	7,490,746	980,880
FROM FEDERAL AGENCIES			
Department of Health and Human Services	2,080,454	31,751	2,048,703
Department of Education	220,306	-	220,306
Department of Agriculture	197,757	520	197,236
Department of Labor	238,453	-	238,453
Department of Housing and Urban Development	42,690	-	42,690
Environmental Protection Agency	11,293	20	11,272
Department of Energy	23,328	-	23,328
Department of Transportation	287,356	42,607	244,749
Department of Interior	8,808	19	8,788
Department of Defense	9,534	110	9,424
Department of Justice	3,067	-	3,067
Other federal agencies	38,817	19,694	19,123
	3,161,870	94,724	3,067,145
FROM LOCAL AGENCIES			
Counties	87,936	22,009	65,926
Cities, villages, and townships	15,556	-	15,556
Colleges and universities	5,177	-	5,177
School districts	5,437	733	4,703
Multi-level governmental units	1,258	-	1,258
Other local agencies	9,293	8,204	1,089
	124,659	30,947	93,712

STATE OF MICHIGAN
COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (Continued)
GENERAL AND SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM SERVICES			
Charges for furnishing vehicle driver records	$ 16,543	$ 3,691	$ 12,852
Revenue from patients, wards, and inmates	30,503	17,506	12,997
Other services	6,577	1,014	5,562
	53,625	22,212	31,412
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	12,041	953	11,088
Motor vehicle operators' and chauffeurs' licenses	15,223	374	14,849
Examination fees -- financial institutions and insurance industry	4,442	51	4,391
Department of Licensing and Regulation licenses and permits	14,691	13,521	1,170
Concession and privilege fees - State parks	7,445	-	7,445
Motor vehicle related	22,992	19,245	3,747
Hunting, fishing, and trapping licenses	23,495	20,978	2,517
Public utility assessment fees	12,271	-	12,271
Department of Commerce licenses and permits	6,157	2,267	3,890
Department of Agriculture licenses and permits	2,891	606	2,285
Auto repair facilities and mechanics licenses and fees	2,720	414	2,306
Other licenses and permits	14,103	8,987	5,116
	138,479	67,399	71,080
MISCELLANEOUS			
Lottery operations	586,218	19,890	566,328
Air and water surveillance fees	1,882	-	1,882
Income from investments	95,729	79,725	16,003
Various fines, fees, and assessments	7,572	4,396	3,175
Court fines, fees, and assessments	17,192	10,234	6,957
Oil and gas royalties, fees, assignments, and rentals	47,815	40,446	7,369
International Bridge Authority - payroll contributions	1,046	-	1,046
Sale of forest products on tax reverted land	4,850	-	4,850
Other miscellaneous	48,695	30,415	18,280
	811,002	185,107	625,894
Total Revenue	12,761,263	7,891,138	4,870,125
OTHER FINANCING SOURCES			
Proceeds from sale of bonds	107,714	-	107,714
Operating transfers in:			
From general and special revenue funds	1,211,863	1,069,709	142,154
From other funds	61,479	24,676	36,803
Total Other Financing Sources	1,381,058	1,094,386	286,672
Total Revenue and Other Financing Sources	$14,142,322	$ 8,985,524	$ 5,156,797

Note: This schedule was prepared on the Statutory/Budgetary basis.

STATE OF MICHIGAN
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax	$ 734,343	$ 445,583	$ 288,759
Personal income tax	3,255,595	2,872,020	383,574
Corporation income tax	12,526	12,526	-
Single business tax	1,280,547	1,107,646	172,901
Use tax	317,332	317,332	-
Cigarette tax	218,009	103,267	114,741
Beer and wine tax	51,652	51,652	-
Liquor excise tax	19,635	19,635	-
Horse race wagering tax	21,480	10,077	11,403
Intangibles tax	53,902	44,402	9,500
Inheritance tax	62,393	62,393	-
Telephone and telegraph company tax	113,073	113,073	-
Insurance company premium tax	103,411	103,411	-
Gas and oil severance tax	78,029	78,029	-
Penalties and interest - various taxes	38,724	38,724	-
Other taxes	1,822	1,822	-
	6,362,481	5,381,600	980,880
FROM FEDERAL AGENCIES			
Department of Health and Human Services	2,080,454	31,751	2,048,703
Department of Education	187,420	-	187,420
Department of Agriculture	197,757	520	197,236
Department of Labor	124,152	-	124,152
Department of Housing and Urban Development	42,690	-	42,690
Environmental Protection Agency	11,293	20	11,272
Department of Energy	23,328	-	23,328
Department of Transportation	6,622	-	6,622
Department of Interior	7,859	19	7,839
Department of Defense	9,534	110	9,424
Department of Justice	3,067	-	3,067
Other federal agencies	36,884	19,027	17,857
	2,731,066	51,450	2,679,616
FROM LOCAL AGENCIES			
Counties	84,749	21,911	62,838
Cities, villages, and townships	11,133	-	11,133
Colleges and universities	5,177	-	5,177
School districts	4,703	-	4,703
Other local agencies	1,884	139	1,745
	107,649	22,051	85,598
FROM SERVICES			
Charges for furnishing vehicle driver records	16,543	3,691	12,852
Revenue from patients, wards, and inmates	30,503	17,506	12,997
Other services	5,828	310	5,518
	52,876	21,508	31,368

STATE OF MICHIGAN
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (Continued)
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	$ 12,041	$ 953	$ 11,088
Motor vehicle operators' and chauffeurs' licenses	15,223	374	14,849
Examination fees--financial institutions and insurance industry	4,442	51	4,391
Department of Licensing and Regulation licenses and permits	14,691	13,521	1,170
Concession and privilege fees-state parks	7,445	-	7,445
Motor vehicle related	3,747	-	3,747
Public utility assessment fees	12,271	-	12,271
Department of Commerce licenses and permits	6,157	2,267	3,890
Department of Agriculture licenses and permits	2,891	606	2,285
Auto repair facilities and mechanics licenses and fees	2,720	414	2,306
Other licenses and permits	8,463	4,270	4,193
	90,099	22,459	67,640
MISCELLANEOUS			
Air and water surveillance fees	1,882	-	1,882
Income from investments	51,061	50,847	214
Various fines, fees, and assessments	3,823	693	3,130
Court fines, fees, and assessments	12,697	5,739	6,957
Oil and gas royalties, fees, assignments, and rentals	17,542	13,452	4,090
Sale of forest products on tax reverted land	4,850	-	4,850
Other miscellaneous	35,053	19,836	15,216
	126,912	90,569	36,342
Total Revenue	9,471,085	5,589,638	3,881,446
OTHER FINANCING SOURCES			
Operating transfers in:			
From Special Revenue Funds:			
Michigan Transportation Fund	44,403	-	44,403
Game and Fish Protection Fund	34,928	-	34,928
State Trunkline Fund	8,576	-	8,576
Michigan State Waterways Fund	5,460	-	5,460
Michigan Employment Security Act--Administration Fund	3,684	-	3,684
Marine Safety Fund	3,698	-	3,698
State Park Improvement Fund	3,028	-	3,028
Other	8,625	825	7,800
Total From Special Revenue Funds	112,404	825	111,579
From Other Funds:			
Liquor Purchase Revolving Fund	21,828	20,190	1,637
Other	8,661	264	8,397
Total From Other Funds	30,490	20,454	10,035
Total Other Financing Sources	142,894	21,280	121,614
Total Revenue and Other Financing Sources	$ 9,613,979	$ 5,610,919	$ 4,003,060

NOTE: This schedule was prepared on the Statutory/Budgetary basis.

STATE OF MICHIGAN
DISPOSITION OF GENERAL FUND AUTHORIZATIONS
FISCAL YEAR ENDED SEPTEMBER 30, 1984
(In Thousands)

	CURRENT LEGISLATIVE APPROPRIATION	UNEXPENDED BALANCES FROM PRIOR YEARS	RESTRICTED REVENUE ADDITIONS	BUDGETARY TRANSFERS IN (OUT)
Executive	$ 2,922	$ 2	$ -	$ -
Legislative	72,425	5,223	5,216	300
Judicial	64,895	100	19,191	8,029
Management and Budget	160,706	103,363	734,291	(12,730)
Attorney General	16,162	277	6,156	367
Civil Rights	8,568	12	1,496	-
Civil Service	9,001	21	2,899	(75)
State	11,359	722	66,362	-
Treasury	170,068	233,113	407,165	(210,925)
Education	514,978	2,091	361,592	7,233
Grants to Colleges and Universities	859,790	6,551	-	4,039
Public Health	101,721	4,653	114,472	15,686
Mental Health	598,567	8,511	29,406	101,866
Social Services	2,114,101	1,705	1,876,063	80,137
Corrections	296,891	8,488	590	3,282
Military Affairs	11,170	1,023	6,619	253
State Police	133,896	1,440	17,051	586
Transportation	9,325	-	-	-
Commerce	64,576	34,641	80,312	(663)
Labor	64,754	1,569	165,288	(1,555)
Licensing and Regulation	13,611	76	2,697	-
Natural Resources	74,171	15,146	92,169	1,694
Agriculture	21,999	109	14,015	2,473
Items Not Assigned to Departments	-	-	-	-
TOTAL	$ 5,395,666	$ 428,847	$ 4,003,060	$ -

NOTE: This schedule was prepared on the Statutory/Budgetary basis.

TOTAL AUTHORIZATIONS	EXPENDED AND TRANSFERRED	ENCUMBERED BALANCES FORWARD	UNENCUMBERED BALANCES FORWARD	LAPSED	OVER EXPENDED OR OVER OBLIGATED
$ 2,925	$ 2,636	$ 53	$ -	$ 235	$ -
83,166	74,121	1,482	6,663	901	1
92,217	91,925	87	175	27	-
985,631	819,150	3,028	129,664	33,788	-
22,963	21,748	87	209	918	-
10,077	9,910	12	5	148	-
11,846	10,614	264	54	912	-
78,444	74,825	539	2,227	850	-
599,423	152,306	156	417,657	29,303	-
885,895	894,459	1,797	397	2,173	12,933
870,380	862,635	2,209	5,528	7	-
236,535	231,135	2,467	2,736	195	-
738,352	714,712	5,409	10,534	7,695	-
4,072,007	4,084,035	4,739	13,567	9,876	40,211
309,252	272,200	21,458	13,586	2,007	-
19,066	15,876	736	1,727	732	6
152,974	149,465	1,592	730	1,185	-
9,325	9,325	-	-	-	-
178,866	137,626	29,368	2,136	9,779	44
230,056	213,051	94	15,448	1,462	-
16,385	15,741	29	158	467	11
183,181	151,708	6,512	24,856	1,763	1,659
38,598	35,600	480	2,082	434	-
-	6,913	-	-	-	6,913
$ 9,827,575	$ 9,051,729	$ 82,607	$ 650,150	$ 104,870	$ 61,782

STATE OF MICHIGAN
SCHEDULE OF TAXES, INTEREST AND PENALTIES RECEIVABLE BY FUND
SEPTEMBER 30, 1984
(In Thousands)

AGE	GENERAL FUND	STATE AERONAUTICS FUND	MICHIGAN STATE WATERWAYS FUND	MICHIGAN TRANSPORTATION FUND	SCHOOL AID FUND	MICHIGAN EMPLOYMENT SECURITY ACT CONTINGENCY FUND
0 - 60 Days..............	$ 807,748	$ 316	$ 5	$ 50,846	$ 100,890	$ 38,345
61 - 90 Days..............	25,636	-	-	511	858	-
91 - 180 Days..............	30,686	-	-	1,248	5,020	-
181 - 365 Days..............	47,546	-	-	5,958	7,998	-
1 - 2 Years................	64,354	-	-	2,181	8,930	-
Over 2 Years..............	88,305	-	-	3,255	10,422	-
TOTAL TAXES RECEIVABLE........	1,064,277	316	5	64,000	134,120	38,345
LESS ALLOWANCE FOR UNCOLLECTIBLE TAXES.........	234,472	-	-	13,428	37,178	-
LESS REVENUE EXPECTED TO BE RECEIVED AFTER SEPTEMBER 30, 1985........................	20,783	-	-	118	3,296	25,121
CURRENT TAXES RECEIVABLE......	$ 809,021	$ 316	$ 5	$ 50,453	$ 93,645	$ 13,224

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STATISTICAL DATA — LAST TEN YEARS

STATE OF MICHIGAN
REVENUE BY SOURCE
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1984
(In Thousands)

SOURCE	1974-1975	1975-1976	1976-1977	1977-1978
TAXES	$ 3,488,331	$ 4,907,922	$ 4,760,007	$ 5,389,620
FEDERAL AGENCIES	1,445,000	2,144,561	1,840,934	2,066,814
LOCAL AGENCIES	13,812	15,692	29,184	36,125
SERVICES	41,822	43,612	33,294	37,851
LICENSES AND PERMITS	237,670	269,002	108,511	97,993
MISCELLANEOUS	270,618	385,958	329,813	445,842
TOTAL REVENUE	$ 5,497,256	$ 7,766,751	$ 7,101,746	$ 8,074,248

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

This schedule was prepared on the Statutory/Budgetary basis.

1978-1979	1979-1980	1980-1981	1981-1982	1982-1983	1983-1984
$ 6,044,023	$ 6,126,400	$ 6,195,020	$ 6,500,591	$ 7,333,434	$ 8,471,626
2,129,729	2,452,370	2,602,459	2,577,866	2,768,773	3,161,870
37,982	52,137	71,149	118,222	142,491	124,659
46,332	50,039	55,827	59,779	62,511	53,625
97,875	119,396	127,584	123,794	130,075	138,479
601,977	717,786	735,179	733,009	701,082	811,002
$ 8,957,921	$ 9,518,130	$ 9,787,221	$10,113,263	$11,138,367	$12,761,263

STATE OF MICHIGAN
TAX REVENUE BY SOURCE
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1984
(In Thousands)

SOURCE	1974-1975	1975-1976	1976-1977	1977-1978
SALES TAX	$ 1,111,676	$ 1,318,947	$ 1,223,667	$ 1,376,414
PERSONAL INCOME TAX	962,805	1,566,656	1,465,467	1,712,373
SINGLE BUSINESS TAX	-	354,851	803,525	899,390
USE TAX	153,497	193,304	183,323	210,482
LIQUOR, BEER, WINE, AND CIGARETTE TAX	217,474	279,703	225,454	229,314
TELEPHONE AND TELEGRAPH COMPANY TAX	59,290	132,456	76,212	81,966
INSURANCE COMPANY PREMIUM TAX	67,565	70,583	81,547	99,755
MOTOR VEHICLE AND FUEL TAX	547,172	678,675	596,420	615,130
OTHER TAXES	368,839	312,739	104,385	164,792
TOTAL TAXES	$ 3,488,331	$ 4,907,922	$ 4,760,007	$ 5,389,620

NOTE: In 1975-76, the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

This schedule was prepared on the Statutory/Budgetary basis.

1978-1979	1979-1980	1980-1981	1981-1982	1982-1983	1983-1984
$ 1,506,294	$ 1,503,972	$ 1,594,970	$ 1,570,630	$ 1,698,983	$ 1,924,996
1,943,478	1,912,044	2,036,016	2,292,258	2,766,377	3,255,595
1,001,300	1,076,010	942,249	943,148	1,041,745	1,280,547
232,895	232,319	245,689	247,358	279,516	317,332
225,930	229,104	243,254	279,778	331,975	331,881
87,413	93,828	98,773	105,195	107,984	113,073
108,778	148,569	110,972	104,253	101,573	103,411
742,512	713,455	652,121	671,429	704,118	828,555
195,421	217,094	270,973	286,539	301,159	316,232
$ 6,044,023	$ 6,126,400	$ 6,195,020	$ 6,500,591	$ 7,333,434	$ 8,471,626

STATE OF MICHIGAN
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1984
(In Thousands)

	1974-1975	1975-1976	1976-1977	1977-1978
Current:				
General government......................	$ 281,332	$ 441,793	$ 388,417	$ 475,273
Education..............................	2,081,217	2,629,984	2,402,842	2,637,032
Health and welfare.....................	1,731,176	2,509,930	2,128,233	2,371,985
Public safety and corrections...........	141,889	207,823	197,867	244,587
Conservation, recreation, and agriculture..........................	95,846	132,936	115,389	143,620
Labor, commerce, and regulatory.........	165,791	237,034	206,616	275,724
Mental health..........................	278,783	364,427	326,820	390,287
Transportation.........................	690,293	900,074	744,596	738,101
State-local revenue sharing grants......	-	-	-	-
Items not assigned to a function........	322,631	383,777	493,734	546,373
Capital outlay..........................	-	-	-	-
Total Expenditures..................	$ 5,788,969	$ 7,807,795	$ 7,004,533	$ 7,822,988

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

For years prior to 1978-79, operating transfers to funds other than the General and Special Revenue Funds and capital outlay expenditures are included in "current expenditures."

For years prior to 1980-81, State-local revenue sharing grants were included in "Items not assigned to a function."

This schedule was prepared on the Statutory/Budgetary basis.

1978-1979	1979-1980	1980-1981	1981-1982	1982-1983	1983-1984
$ 566,092	$ 631,499	$ 698,009	$ 838,752	$ 773,558	$ 850,491
2,977,051	3,121,272	2,949,451	2,716,679	3,002,603	3,269,079
2,558,304	3,032,898	3,284,977	3,462,681	3,789,246	4,314,227
266,892	309,790	338,269	360,174	373,950	424,572
142,778	171,834	169,721	173,777	185,539	182,416
285,184	347,309	416,901	419,429	444,336	501,270
450,925	537,906	714,708	810,404	630,171	711,818
602,054	669,645	659,516	672,674	667,625	780,865
-	-	542,232	525,124	595,097	674,312
639,979	667,014	-	8,238	64,370	6,913
396,386	443,852	329,670	317,227	278,074	406,988
$ 8,885,649	$ 9,933,024	$10,103,459	$10,305,165	$10,804,575	$12,122,957

STATE OF MICHIGAN
RATIO OF ANNUAL GENERAL FUND DEBT SERVICE TRANSFERS FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS
LAST TEN YEARS
SEPTEMBER 30, 1984
(In Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL DEBT SERVICE TRANSFERS	TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS	RATIO OF DEBT SERVICE TRANSFERS TO GENERAL FUND EXPENDITURES AND TRANSFERS
1974-1975	$ 28,351	$ 18,779	$ 47,131	$ 4,347,054	1.08%
1975-1976	34,621	32,639	67,260	5,826,019	1.15
1976-1977	32,626	26,617	59,244	5,326,996	1.11
1977-1978	37,270	25,429	62,700	6,107,850	1.03
1978-1979	40,470	23,088	63,558	6,853,855	.93
1979-1980	34,984	21,085	56,069	7,563,326	.74
1980-1981	33,885	17,341	51,227	7,482,732	.68
1981-1982	40,279	16,579	56,859	7,516,015	.76
1982-1983	43,000	14,471	57,471	8,143,129	.71
1983-1984	41,000	12,367	53,367	9,051,729	.59

NOTE: In 1975-1976 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

Principal and interest on short-term general obligation notes are not included in this bonded debt schedule.

This schedule was prepared on the Statutory/Budgetary basis.

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STATE OF MICHIGAN
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
SEPTEMBER 30, 1984
(In Thousands)

	1974-1975	1975-1976	1976-1977	1977-1978
POPULATION*...............................	9,121	9,140	9,183	9,230
GROSS BONDED DEBT.........................	$ 556,500	$ 573,500	$ 537,500	$ 527,500
LESS DEBT SERVICE FUNDS..................	2,390	2,655	3,188	4,447
NET BONDED DEBT...........................	$ 554,110	$ 570,845	$ 534,312	$ 523,053
NET BONDED DEBT PER CAPITA (IN DOLLARS)...	$ 60.75	$ 62.46	$ 58.18	$ 56.67

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

*SOURCE: Federal Bureau of the Census and Michigan Department of Management and Budget.

1978-1979	1979-1980	1980-1981	1981-1982	1982-1983	1983-1984
9,261	9,241	9,196	9,099	9,056	9,107
$ 482,500	$ 439,100	$ 409,600	$ 361,000	$ 309,300	$ 259,300
3,385	6,179	5,837	6,204	7,960	3,132
$ 479,114	$ 432,920	$ 403,762	$ 354,795	$ 301,339	$ 256,167
$ 51.73	$ 46.85	$ 43.91	$ 38.99	$ 33.28	$ 28.13

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STATE OF MICHIGAN

ECONOMIC AND SOCIAL DATA

GENERAL INFORMATION

On January 26, 1837, Michigan was admitted to the Union as the twenty-sixth state. It is located in the East North Central Census Region and is bordered by Canada and the states of Ohio, Indiana, and Wisconsin. Michigan contains 57,022 square miles of land mass (exclusive of 1,194 square miles of inland water and 38,575 square miles of great lakes water area) with 3,288 miles of shoreline on four of the five great lakes. A combined water and land area of 96,791 square miles makes it the tenth largest state.

POPULATION

The following table presents population trends for Michigan for the last ten years, estimated at September 30 (in thousands):

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Population.....	9,121	9,140	9,183	9,230	9,261	9,241	9,196	9,099	9,056	9,107
Percent Change.........	-	.2%	.5%	.5%	.3%	(.2%)	(.5%)	(1.1%)	(.5%)	.6%

Source:

U.S. Bureau of the Census (adjusted to September 30 by the Office of Revenue and Tax Analysis, Michigan Department of Management and Budget).

WEALTH

The following table presents per capita income, retail sales, and taxable property values in Michigan and the United States during the years 1979-1983:

	Per Capita Income (a)		Retail Sales (b) (In Millions)		Taxable Property Value (c) (In Millions)	
YEAR	MI	U.S.	MI	U.S.	MI	U.S.
1979	$ 9,297	$ 8,657	$37,767	$ 899,379	$72,528	N/A
1980	9,872	9,503	38,596	960,767	82,646	N/A
1981	10,653	10,582	40,598	1,043,524	92,059	N/A
1982	10,942	11,100	39,252	1,074,561	98,210	N/A
1983	11,574	11,675	42,659	1,173,966	98,344	N/A

Sources:

(a) U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business.
(b) U.S. Department of Commerce, Bureau of the Census, Current Business Reports.
(c) State of Michigan, Department of Treasury, State Tax Commission.

STATE OF MICHIGAN

ECONOMIC AND SOCIAL DATA (Continued)

EMPLOYMENT

The following table presents employment data (expressed in thousands) for the State of Michigan for the calendar years 1974-83:

Year	Total Labor Force	Total Employment	Unemployment	Unemployment
1974	3,881	3,593	288	7.4%
1975	3,985	3,408	486	12.4%
1976	3,994	3,621	373	9.3%
1977	4,117	3,780	336	8.2%
1978	4,198	3,909	289	6.9%
1979	4,312	3,977	335	7.8%
1980	4,292	3,758	534	12.4%
1981	4,305	3,776	529	12.3%
1982	4,278	3,617	661	15.5%
1983	4,303	3,693	610	14.2%

Wage and salary employment for 1979-1983 consisted of the following:

	1979	1980	1981	1982	1983
Wage and Salary Employment					
Manufacturing					
Durable Goods..............................	935.1	795.0	778.1	684.5	687.8
Nondurable Goods...........................	225.0	203.9	200.9	192.4	193.0
Total Manufacturing......................	1,160.1	998.9	979.0	876.9	880.8
Nonmanufacturing					
Construction...............................	139.5	116.8	106.8	89.5	85.9
Transportation Communications and Utilities	160.6	152.2	147.9	143.3	136.7
Wholesale Trade............................	170.4	161.5	157.9	150.7	147.8
Retail Trade...............................	590.9	572.1	556.8	542.6	542.8
Finance, Insurance and Real Estate.........	154.5	156.5	155.0	151.9	151.2
Services...................................	626.8	644.5	649.6	650.2	656.5
Mining.....................................	13.2	12.5	12.9	10.4	8.7
Total Nonmanufacturing...................	1,855.9	1,816.1	1,786.9	1,738.6	1,729.6
Government.................................	621.0	627.8	598.4	577.8	576.0
Total Wage and Salary Employment..............	3,637.0	3,442.8	3,364.3	3,193.3	3,186.4

Source: Michigan Employment Security Commission.